CPO 1

Certified Procurement Officer 1 Handbook

September 28, 29, & 30 2010

This publication, printed by the Department of Central Services, Central Printing Division, is issued by the Department of Central Services, Central Purchasing Division as authorized by 74 O.S., § 85.5. 80 copies have been prepared and distributed at a cost of $2,985.60. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

Vision
Our vision is that all students will acquire the attitude, knowledge, and skills necessary for success in the procurement environment, in the workplace, and in life. Our mission is to prepare our students for success with a CPO training program driven by technology.

Mission Statement

The CPO Training program is committed to helping students learn while simultaneously providing value for our State agencies. We believe that our training should be driven by the needs of the State and enabled by close partnerships and collaboration.

Goals

- Serve as a resource for informed decision-making, and creative problem-solving to facilitate the acquisition of goods and services;
- Provide training services and advice to ensure compliance with Statutory requirements, and reduce exposure to legal risks;
- Educating CPO's and other personnel about legal requirements and risks to prevent or reduce liabilities and legal disputes; and
- Coordinating the provision of all CPO training services for the State, whether through the Central Purchasing Division or outside firms, to ensure efficiency, containment of costs, and applicability.

CERTIFIED PROCUREMENT OFFICER TRAINING
(September 2010)
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-	OMB Circular

CURRICULUM/SCHEDULE
Sept. 28, 29, 30, 2010

TIME BLOCK	TOPICS	Presenters
Day 1 Tue 28th		
8:00 - 8:30	Welcome, Opening Remarks, Foundation of Public Purchasing, Legislative Authority. *(Tab 4)*	Scott Schlotthauer
8:30 - 9:00	Title 74, - CPA, Rules, PIMS *(Tabs 5,6)*	Steve Hagar
9:00 - 9:15	***Break***	
9:15 - 10:00	Fundamentals of Public Purchasing, PIMS *(Tab 6, PIM 99-07)*	Dave Barghols
10:00 - 11:30	Fundamentals of Public Purchasing, NASPO, *(NASPO Chapters 1, 2, 3)*	Dave Barghols
11:30 - 12:30	***Lunch***	
12:30 - 2:00	Basic Contracting *(Tab12)*	Dave Barghols
2:00 - 2:15	***Break***	
2:15 - 3:30	Basic Contracting *(NASPO Chapters 7, 8, 9)*	Dave Barghols
3:30 - 4:30	General State Ethics *(Tab 10)*	Keith Gentry
4:30 - 5:00	Procurement Ethics *(Tab 11, NASPO Chapter 15)*	Dave Barghols
Day 2 Wed 29th		
8:00 - 9:45	Specification and Solicitation Development *(Tabs 7,13 & 14)*	Dave Barghols
9:45 - 10:00	***Break***	
10:00 - 11:30	Specification and Solicitation Development *(Tab 14 continued)*	Dave Barghols
11:30 - 12:00	Course Summary and Testing Information *(Tab 3)*	Dave Barghols
12:00 - 1:00	***Lunch***	
1:00 - 2:45	Evaluation of ITB/RFP *(Tab 15)*	Lee Johnson
2:45 - 3:00	***Break***	
3:00 - 4:00	Protest & Hearings Legal *(Tab 16)*	Kimberly Williams & Lisa Blodgett
4:00 - 5:00	IT Products & Services, EITA *(Tabs 18, 19, 20)*	Gary Rowland/Jan Hall

Day 3 Thurs 30th

8:00 - 9:00	Construction & Properties *(Tabs 21 & 22)*	John Morrison
9:00 - 9:30	Oklahoma Correctional Industries (OCI) *(Tab 23)*	JD Colbert
9:30 - 10:00	State Printing *(Tab 24)*	Mark Dame
10:00 - 10:10	***Break***	
10:10 - 10:30	Surplus Property *(Tab 25)*	Jerry Holland
10:30 - 11:00	Fixed Rates/GSA/OMB Circulars *(Tab 26)*	Lee Johnson
11:00 - 11:30	State Leasing *(Tab 27)*	Melissa Milburn
11:30 - 12:30	***Lunch***	
12:30 - 1:30	State Use & SU State Wide Contracts *(Tab 28)*	Larry Smith
1:30 - 2:30	State Wide Contracts, Contract Management, Vendor Performance *(Tab 17)*	Lee Johnson
2:30 - 3:15	Ask the Auditor *(Tab 31)*	JoRay McCoy
3:15 - 3:30	***Break***	
3:30 - 4:00	Vehicle, Pharmaceuticals	Florian Giza
4:00 - 4:30	Fleet *(Tab 30)*	Terry Zuniga
4:30 - 5:00	P-Card *(Tab 29)*	Lisa Martin

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CPO 1 COURSE, SEPTEMBER 28-30, 2010

COMPANION TEXT: State and Local Government Procurement – A Practical Guide, 2008 (NASPO)

BACKGROUND

The 1998 Oklahoma Legislative Session revised the Oklahoma Central Purchasing Act (at Title 74, Section 85.5) to add Subsection D. That subsection charged the State Purchasing Director to provide training for state agency purchasing staff. Such training "Shall include **principles of...basic contracting...**"

The text, referenced above, (in addition to Tabs 11-14 of this manual) addresses the bolded portion of the Act. This text is an excellent, authoritative, current and wide-ranging treatise on public purchasing philosophy and recommended practices. It is a valuable resource for basic contracting issues; however, it is far too comprehensive for in-depth coverage in this course. Accordingly, you are encouraged to limit your initial study of the text to the following chapters, selection portions of which will be reviewed in this course.

CHAPTER	TOPIC	PAGES
1	Introduction	1-11
2	Procurement Leadership and Organization	13-22
3	The Importance of Competition	23-34
7	Competition: Solicitations and Methods	89-115
8	Non-Competitive and Limited Competition	117-124
9	Bid and Proposal Evaluation and Award	125-139
13	Quality Assurance	187-195
14	Contract Management	197-203
15	Procurement Program Integrity	205-213

-and-

Become acquainted with NIGP Public Procurement Dictionary of Terms, beginning at page 279.

Reserve the balance of the text for further reference and study at future dates in your public purchasing career.

DEPARTMENT OF CENTRAL SERVICES

CENTRAL PURCHASING DIVISION

2401 N. Lincoln, Ste 116, Oklahoma City, Ok 73105

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dcs.ok.gov

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Sonya Knight--------522-1040

Joyce Leivas---------521-2479

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Deputy Director
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Hurtisine Franklin----522-0436

Jan Hall----------522-0702

Deborah Patillo--------522-2666

Gary Rowland----------521-2131

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Vicki Spivey----------522-4963

STRATEGIC SOURCING & Registration

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Jonathan Taylor------521-2133

Peggy Beaty----------521-2120

VENDOR REGISTRATION

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Keith Gentry
Contract Manager
Division Support Supervisor
522-4878

RECEPTION DESK

Becki Flood----------522-0955

Front Desk-521-2110 or 522-6550

FILE ROOM

Debora Adeniyi---------522-2729

MAIL ROOM

Juanita Ardoin---------521-2126

Randy Whitener -------522-1054

CONTRACT MANAGER Training & Budget

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CPO TRAINING PROGRAM

Dave Barghols----------522-4970

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Tim Harvey----------521-2128

CPO COURSE, SEPT. 28, 29, 30, 2010

TAKE NOTES! Scientifically speaking, within 24 hours you lose 70% of information obtained visually or aurally. A Duke University college student stated "I'd think to myself: I don't need to write that down, I'll remember it. Just a few days later, it was like - what did he/she say.....?"

NOTES AND REMINDERS

CPO COURSE, SEPT. 28, 29, 30, 2010

TAKE NOTES! Scientifically speaking, within 24 hours you lose 70% of information obtained visually or aurally. A Duke University college student stated "I'd think to myself: I don't need to write that down, I'll remember it. Just a few days later, it was like - what did he/she say.....?"

NOTES AND REMINDERS

EXAMINATION

Attending all sessions of the 3-day procurement training course and successful completion of an examination will result in eligibility for designation as a certified procurement officer.

The examination, administered by OPM (located in the basement of the Jim Thorpe Building), must be taken by October 8, 2010. For those not passing the initial test, a second opportunity is available on October 29, 2010. You must select a day and time (on the registration form) that you will be taking the test at OPM. Once your scheduled day and time are confirmed and you have attended all sessions on all 3 days of training, your name will appear on a list for the day and time scheduled, which is submitted to OPM. If your name is not on the list you will not be allowed to test.
The test will consist of 100 multiple choice questions. OPM personnel will provide test results to the Central Purchasing Division's CPO Program Administrator. Each candidate will be notified of the results. In the event a passing score is not achieved for the initial examination, individuals may re-test one time, if necessary on October 29, 2010. If a passing grade is not achieved within these two testing opportunities, a candidate must attend the training course again before repeating the test.

Test Times
It is important to arrive at the designated time due to the 4 hour time limit to complete testing. Candidates scheduled for morning testing must arrive between 8:00 and 8:15AM and testing begins for all candidates at 8:30AM after a brief instruction by OPM. The test will end at 12:30. Candidates scheduled for afternoon testing must arrive between 12:15 and 12:30PM and testing begins for all candidates at 12:45PM after a brief instruction by OPM. The test will end at 4:45PM.
A photo identification must be shown when you report for the test. No electronic devices, including cell phones, PDA's or other communication devices are allowed in the testing room.

The dates for testing are: October 1, 5, 6, 8, 2010.

There are a limit of seven (7) testing slots on October 5 and 6 of the testing days; on the other days 43 slots are available.

CERTIFICATION

Distribution of formal certificates of designation as "Certified Procurement Officer" will be made to all candidates fulfilling the following prerequisites:

1. Attending all sessions of the 3-day course of training
2. Successful completion of the OPM administered examination, and
3. Payment of course fees of $500.

Upon receipt of executed certificate and at the discretion of the agency, individuals may be authorized to make acquisitions pursuant to the applicable provisions of the Oklahoma Central Purchasing Act.

ANNUAL REVALIDATION

Continuing education is required to retain the status of Certified Procurement Officer. At least twenty four (24) of approved continuing education must be completed and reported on DCS/CP Form 006a, beginning January 1, 2010.

More detailed information can be obtained on the DCS website: www.dcs.ok.gov, in the link at the bottom click on "CPO training program" in the left hand column click on the "Requirements to retain CPO Certification" and "Requirements of a CPO."

For any questions related to this announcement, contact Lee Johnson via e-mail, Lee_Johnson@dcs.state.ok.us

CPO testing schedule

You have signed up for an appointment to take the CPO certification test at the Office of Personnel Management located in the Jim Thorpe Bldg. at 2101 N. Lincoln Blvd., Oklahoma City. You have chosen either an 8:00 or a 12:15 appointment time. This time is the beginning of a fifteen minute time interval in which you are to arrive and check-in at the testing center located in the basement. Please see the table below for information about what will happen at different times during this test administration.

Appointment Time	Check-in between	Receive Instructions	Begin Test	End Test
8:00 a.m.	8:00 – 8:15	8:15	8:30	12:30 p.m.
12:15 p.m.	12:15 – 12:30	12:30	12:45	4:45 p.m.

Bring a photo ID with you (driver's license or agency badge).

If you arrive after your group has been given instructions and entered the test room, you will be given the choice to take the test with whatever time remains in your test block or reschedule for another appointment time if one is available.

If you have any questions regarding testing procedures, please call 405-521-6298 or 405-521-6346.

If you do not pass the test on the first try, OCT 29 will be RETEST day. You will be given a choice of 8:00 am or 12:15pm.

Primary Sources of Law Governing the Mission and Functions of the Department of Central Services

1. Introduction

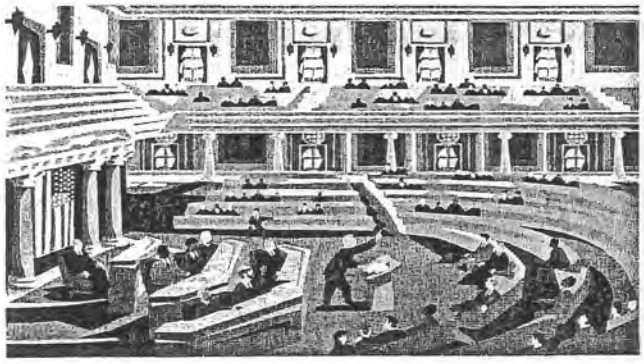
The Department of Central Services is an administrative agency created by the State Legislature within the executive department through the enactment of statutes. The State Legislature receives its authority to enact statutes and create state agencies from the Oklahoma State Constitution. Oklahoma's Constitution is the supreme law of the land, subordinate only to our Federal Constitution and certain federal laws which apply equally to all of the states of United States.

Moreover, in addition to being *subject to* certain laws, the Department of Central Services also *makes* laws related to state purchasing by: (a). promulgating rules, and (b). adjudicating supplier award protests under the Administrative Procedures Act. A "30,000 foot" overview of how the separate powers and authorities combine to allow the Department of Central Services to provide state purchasing services is provided in the following paragraphs.

2. Oklahoma Legislative, Executive and Judicial Powers

The Oklahoma Constitution was adopted in 1907 at the time of statehood by the people of Oklahoma as the governing document of the State. In addition to providing for the rights and privileges of citizens, Article IV, section 1 of the Oklahoma Constitution broadly divides the powers of each branch of government into the legislative, executive, and judicial branches. Generally speaking, each branch is confined to confined to function within the limits of the powers delegated to it and it may not exceed the scope of authority provided.

The Legislative Branch. With respect to the scope of legislative authority to make laws, as attorney general opinion 1990 OK AG 31 explains, "Article V, section 36 of the Oklahoma Constitution provides the authority of the Legislature extends to all rightful subjects of legislation. . . . [T]he Legislature, in a general sense, may legislate in all areas, except those which are prohibited by the Constitution." Additionally, the same opinion notes the Legislature is permitted to delegate powers which it may itself exercise. Thus, the Oklahoma Legislature may delegate its power and discretion to others to carry out governmental functions. Further, legislative powers are delegable to agencies because "when the legislature sets the parameters of its policy and then delegates to some agency the task of implementing that policy under articulated safeguards, there is no violation of the [non-delegation] doctrine." *Democratic Party of Oklahoma v. Estep*, 1982 OK 106, ¶ 17, 652 P.2d 271, 277, n 23. Concerning the



Department of Central Services, the Oklahoma State Legislature has enacted statutes creating the Department and delineating the authority of the Department with respect to purchases made on behalf of the State, all in accordance with the Constitution.

The Executive Branch. The executive branch also exercises its powers with respect to administrative agencies. The executive branch is charged with the execution of laws. Article VI, section 8 of the Oklahoma Constitution provides that "[t]he Governor shall cause the laws of the State to be faithfully executed."

Section 8 of the Constitution further requires the Governor to conduct all business of the State, either in person or as allowed by law. Therefore, if authorized by law, the Governor may appoint others to help accomplish the mighty task of conducting all State business. Accordingly, title 74, section 61.1 of the Oklahoma Statutes directs that the Governor shall appoint the Director of the Department of Central Services. The Director, pursuant to statutory authority and the executive power, is charged with the responsibility to administer and enforce our State purchasing laws within the executive authority. The Director is further required by statute to hire the Director of Central Purchasing in section 85.5 of title 74.

The Judicial Branch. Article VII of the Constitution provides a structure for the court system established within the State to enable citizens to bring cases to trial to resolve legal disputes, as guaranteed under Article II. With respect to administrative agencies, legal disputes involving agencies are often resolved through the judicial system. When courts interpret the statutes or constitutional provisions related to an agency's authority to act, these opinions normally become "binding" on agencies. Judicial opinions are often valued because they "fill in the blanks" sometimes contained in broadly worded legislation or statutes. This means that in addition to the agency's particular enabling legislative or constitutional provisions, the agency must also adhere to the directives contained in judicial opinions both with respect to the matter being litigated and in the future when facts or circumstances arise that are similar to those contained in the judicial opinion. Significantly then, administrative agencies can (and often do) exercise authority that is provided from a combination of: (a). constitutional provisions, (b). legislation, (c). executive power, and (d). judicial opinions.

3. The Purpose of State Administrative Agencies

State administrative agencies perform a variety of functions to carry out directives and policies provided to them from the legislature. When new laws are enacted to provide government services or for another governmental purpose, the Legislature cannot perform the services or administer the laws enacted without additional people and resources. Therefore, out of necessity, Legislature creates administrative agencies and delegates its authority to permit a group of people to act to either enforce or administer the laws enacted with respect to a particular governmental purpose.

Agencies may serve a wide variety of purposes ranging from enforcement of laws prohibiting or requiring certain acts, providing government services, and serving as quasi-judicial entities for disputes over a particular subject matter. Some agencies may perform only one of these functions, while others may be permitted to function in more than one of these areas.

The Department of Central Services serves its legislative purpose by providing a means by which State agencies may make contracts for and acquisitions of the goods, services and supplies agencies need in an economic and efficient manner. In addition, the Department acts as a quasi-judicial body when it holds hearings and makes adjudicative determinations on bid protests brought by vendors who want to contest bid awards other suppliers. As discussed, the authority to perform these functions arises from a constitutionally permitted delegation of legislative power (for creation and scope of authority) and executive power (for execution of functions). The Department additionally utilizes its rule making and adjudicative powers exercised in compliance with the Administrative Procedures Act, 75 Okla. Stat. §§ 250—323, discussed more fully in the following paragraphs.

4. Department of Central Services Statutes and Law

The statutes resulting from legislation creating the Department of Central Services, formerly called the Department of Public Affairs, and delineating the scope of its authority are found primarily in title 74 sections 61.1—130.22 of the Oklahoma statutes. In addition, the authority and duties of the Construction and Properties Division of the Department of Central Services for the construction and maintenance of public buildings are further provided in title 62, sections 1—227. Within each title, the statutes are divided into subgroups relating to the laws about a particular subject or "act." One such act entitled "The Oklahoma Central Purchasing Act" is located at 74 Okla. Stat. §§ 85.1—85.44C, 85.45j—85.45k. These statutes provide detailed information to purchasing officers, agencies, vendors and the public concerning how agencies may make purchases and contract for the goods and services needed from suppliers through the Department of Central Services. The statutes may be accessed online through the DCS website portal. In addition, judicial opinions related to the Department interpreting the statutes may be accessed on www.oscn.net.

5. Department of Central Services Administrative Rules

In addition to the enabling provisions discussed, agencies are normally provided with legislative authority to "promulgate rules" concerning the subject matter of their authority to, among other things, establish procedures, make requirements, and authorize certain acts, consistent with the legislative or constitutional power delegated to them as reflected in the statutes. Agencies which make rules must follow a strict statutory procedure before a proposed agency rule is permitted to become final and binding. In Oklahoma, state agencies must follow the requirements of Article I of the Administrative Procedures Act on rulemaking requiring, among other items, notice of proposed rules, publication, and the opportunity for comment. Once a rule is finally adopted, it has the force of law.

The Legislature provided the Department of Central Services with rule making authority. One example of the Department's rule making authority may be found in 74 Okla. Stat. section 85.5C providing, in part, "The Director of the Department of Central Services shall have authority and responsibility to promulgate rules pursuant to provisions of The Oklahoma Central Purchasing Act, governing, providing for, prescribing, or authorizing any act, practice or requirement for which regulatory power is delegated." This broad delegatory provision additionally provides 18 specific items on which the Director may make rules, including rules for requisitions, samples, bids, and a host of other items. As purchasing officers are aware, the Department was provided with rulemaking authority in several other acts related to its other duties and functions.

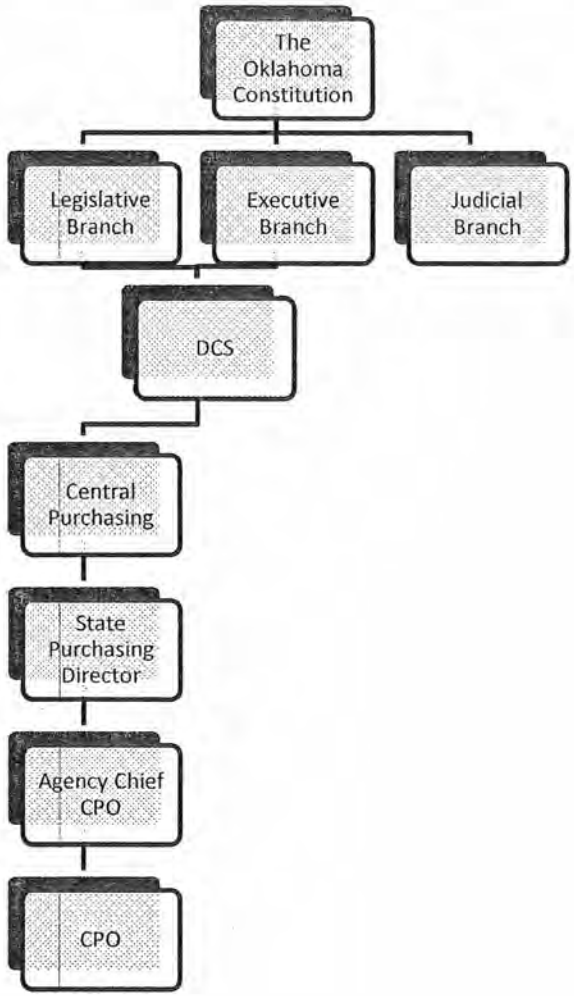
6. Department of Central Services Quasi-Judicial Authority

The Department was additionally provided with the authority to administratively adjudicate protests lodged by unsuccessful vendors over the award of a state contract to another supplier. The requirements for the protest process are also addressed in the Department's administrative rules. These rules additionally comply with the requirements of Article II of the Administrative Procedures Act concerning agency individual adjudications and the right to due process, including notice and hearing requirements.

7. Conclusion

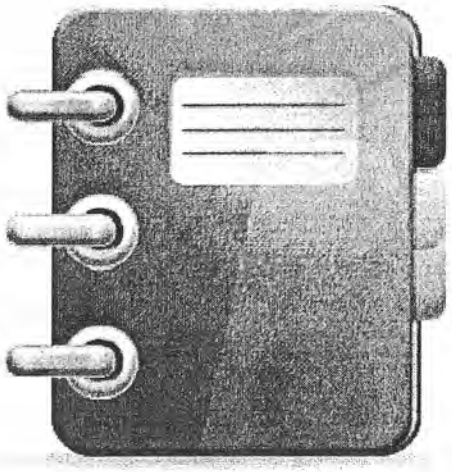
The Department of Central Services is an administrative agency created by statute by the Legislature and administered under the executive power of the Governor. The Department functions within the scope of authority legislatively provided. In addition, the Department of Central Services also makes administrative rules related to state purchasing which have the binding force of law.

Oklahoma Government



WELCOME!!

2010 CPO TRAINING COURSE



Department
of
Central Services
OKLAHOMA

Steve Hagar
Deputy Director
Central Purchasing

Course Overview

Day one:

- Welcome, Foundation of Public Procurement – Scott Schlotthauer
- CPA , Rules, PIMS – Steve Hagar
- Foundations of Public Procurement, PIMS, NASPO - Dave Barghols
- Basic Contracting – Dave Barghols
- General State Ethics – Keith Gentry
- Procurement Ethics - Dave Barghols

Day two:

- Specifications and Solicitation Development – Dave Barghols
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- State Leasing – Melissa Milburn
- State Use – Larry Smith
- SW Contracts, Contract Management, Vendor Performance – Lee Johnson
- P-Card – Lisa Martin
- Vehicle & Pharmaceuticals – Florian Giza
- Fleet – Clay Chandler
- Ask The Auditor – JoRay McCoy

So you want to be a Certified Procurement Officer?

Attend 3 day course (all sessions)
Pay $500 for CPO course
Pass CPO examination (70%)

Test dates: October 1, 5, 6 & 8
Bring photo ID Allow 4 hours for testing
One re-test allowed
Re-test: October 29, 2010
Office of Personnel Management in Jim Thorpe Building

Appointment Time	Check-in between	Receive Instructions	Begin Test	End Test
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12:15 p.m.	12:15 – 12:30	12:30	12:45	4:45 p.m.

CPO Revalidation

Continuing Professional Education (CPE) of 24 hours over 2 years

(one day of instruction = 6 hours credit)

>www.dcs.ok.gov

>CPO Training Program

>Courses approved for CPO credit

CENTRAL PURCHASING DIVISION

Mission Statement:

Provide leadership and services for innovative, responsive, and accountable public procurement by working in partnership with state agencies, local governments and suppliers to provide quality goods and services, striving to optimize taxpayer dollars while carefully monitoring and improving the use of our time, talent and resources.

CENTRAL PURCHASING ACT

TITLE 74 O.S. § 85.1

All state agency activities relating to purchasing shall be under the direction of Central Purchasing (C.P.) unless otherwise provided by the Oklahoma Central Purchasing Act.

CP Home
ITBs/RFPs
Awarded Bids
StateWide Contracts
P/Card Information
State Use Program
CPO Program
Vendor Registration
Vendor Certification
Vendor Performance
CP Processes, Rules & Statutes
FAQs
CP Contact Info
CP Library: *forms, resources, etc*
CP Announcements
Item Maintenance

CENTRAL PURCHASING DIVISION

Mission Statement

Provide leadership and services for innovative, responsive, and accountable public procurement by working in partnership with state agencies, local governments and suppliers to provide quality goods and services, striving to optimize taxpayer dollars while carefully monitoring and improving the use of our time, talent and resources.

Goals

- Provide efficient services that meet the customers' needs by innovative strategic sourcing programs, taking advantage of emerging technologies, practices, resources, and economies of scale, and appropriate consideration of special needs groups and the use of statewide contracts and purchase card systems.
- Sound financial systems and practices to support CP's services by ensuring accurate and accountable financial performance.
- Efficient procurement and payment processes that conserve CP resources through reduced administrative costs.
- A trained and effective certified purchasing officer training program, which enables best purchasing practices.
- A trained and skilled CP staff.

General Information

The Purchasing Division of the Department of Central Services performs procurement functions and provides oversight of state agencies' procurement activities as defined by the Oklahoma Central Purchasing Act (74 O. S. §85.1, et seq.) The Division ensures fair and equitable processes for procurement functions resulting in timely delivery of quality products and support services.

Other services includes:

- selling state surplus property by transferring goods from state agencies to State Surplus Property, and assisting state agencies in resolving vendor issues.
- overseeing The State Use Program, which assists in providing meaningful and gainful employment to persons with disabilities through state contracts for products and services.

Last Modified on 07/15/2010

Special Announcements

CPO I Registration Package
Due 09/14/10

New CPA Published
HB2232 Summary & CP Act
07/14/10

CP & AGENCY Packages Updated:
CP Full & CP Short
AGENCY Full & AGENCY Short
06/29/10

New CP Rules Published
Memorandum & Rules
06/25/10

Related Topics

DCS-Procurement-Modernization-Report

CORE News &Tips

VPAT & Accessibility

One-Net Contracts

Oklahoma Bid Assistance

http://www.ok.gov/DCS/Central_Purchasing/index.html

CP Home
ITBs/RFPs
Awarded Bids
StateWide Contracts
P/Card Information
State Use Program
CPO Program
Vendor Registration
Vendor Verification
Vendor Performance
CP Processes, Rules & Statutes
FAQs

CENTRAL PURCHASING PROCESSES, RULES AND STATUTES

Rules, Statutes and Standards

- Central Purchasing Act (uploaded 07/14/2010) - HB2332 Summary also available.
- Central Purchasing Rules (uploaded 06/25/2010, file corrected 06/28/2010)
- Central Purchasing Rules Summary of Changes (uploaded 06/25/2010)
- Central Purchasing Rules Revised Sections Only (uploaded 06/25/2010)
- VPAT and Oklahoma IT Accessibility Standards

Purchasing Processes

- Acquisition Process (Procurement Flow Chart) (released 09/11/2009)
  - AQ-001 - State Use (released 09/11/2009, revised 10/29/2009)
  - AQ-002 - StateWide Contracts (released 09/11/2009, revised 09/15/2009)
  - AQ-003 - Oklahoma Correctional Industries (OCI) (released 09/11/2009)
  - AQ-004 - Requisition through Central Purchasing (released 09/11/2009)
  - AQ-005 - Agency Internal Requisition (MS Word version for optional use by agencies) (released 09/11/2009, revised 06/28/2010)
- Purchase Card (PDF, DOC) (updated 09/01/2009, revised 09/18/2009)

Impact of House Bill 1032 on Central Purchasing Act (Title 74)

- Section 85.5.C11.a. – fair and reasonable $2,500 to $5,000
- Section 85.5.C11.b. – agency acquisitions between $5,000 and $100,000
- Section 85.5.D. – introduced Certified Procurement Analysts
- Section 85.5.G.4. – renegotiate existing contracts
- Section 85.5.L.2. – State P-card $2,500 to $5,000
- Section 85.7.A.1 – Agency limit rose form $25,000 to $50,000 or as authorized by SPD not to exceed $100,000

Impact of House Bill 1032 on Central Purchasing Act (cont.)

- Section 85.43.A. -- The Chief Administrative Officer of an agency shall submit to the SPD and the State Auditor and Inspector by November 1, a report of all purchases greater than $50,000 but not in excess of $100,000
- Section 85.5.T – allows for agency acquisitions in excess of $100,000 provided:
  - Subject matter experts on staff
  - Necessary legal and procurement staff
  - Certification from the Director of the Department of Central Services that acquisition does not conflict with a SW initiative

Agency responsibilities:

✓ contract management

✓ legal fees associated with defense of protests

OKLAHOMA DEPARTMENT OF CENTRAL SERVICES

CENTRAL PURCHASING

ADMINISTRATIVE RULES
OAC 580:15

Statute and Rule Changes (HB 1032)

All State Agencies can purchase at least $5,000 ~ Agencies with CPO and Internal Procedures:

- Agency < $5,000 (fair & reasonable)
- Agency $5,001 < $10,000 (3 quotes)
- Agency $10,001 < $25,000 (10 quotes)
- Agency $25,001 < $50,000 (all registered vendors)
- Agency $50,001 < $100,000 (by approval of SPD)

CP Home
ITBs/RFPs
Awarded Bids
StateWide Contracts
P/Card Information
State Use Program
CPO Pr
Vendor tration
Vendor cation
Vendo
Performa e
CP Processes, Rules & Statutes
FAQs
CP Contact Info
CP Library: *forms, resources, etc*
CP Announcements
Item Maintenance

CENTRAL PURCHASING DIVISION

Mission Statement

Provide leadership and services for innovative, responsive, and accountable public procurement by working in partnership with state agencies, local governments and suppliers to provide quality goods and services, striving to optimize taxpayer dollars while carefully monitoring and improving the use of our time, talent and resources.

Goals

- Provide efficient services that meet the customers' needs by innovative strategic sourcing programs, taking advantage of emerging technologies, practices, resources, and economies of scale, and appropriate consideration of special needs groups and the use of statewide contracts and purchase card systems.
- Sound financial systems and practices to support CP's services by ensuring accurate and accountable financial performance.
- Efficient procurement and payment processes that conserve CP resources through reduced administrative costs.
- A trained and effective certified purchasing officer training program, which enables best purchasing practices.
- A trained and skilled CP staff.

General Information

The Purchasing Division of the Department of Central Services performs procurement functions and provides oversight of state agencies' procurement activities as defined by the Oklahoma Central Purchasing Act (74 O. S. §85.1, et seq.) The Division ensures fair and equitable processes for procurement functions resulting in timely delivery of quality products and support services.

Other services includes:

- selling state surplus property by transferring goods from state agencies to State Surplus Property, and assisting state agencies in resolving vendor issues.
- overseeing The State Use Program, which assists in providing meaningful and gainful employment to persons with disabilities through state contracts for products and services.

Last Modified on 07/15/2010

Special Announcements

CPO I Registration Package
Due 09/14/10

New CPA Published
HB2332 Summary & CP Act
07/14/10

CP & AGENCY Packages Updated:
CP Full & CP Short
AGENCY Full & AGENCY Short
06/29/10

New CP Rules Published
Memorandum & Rules
06/25/10

Related Topics

DCS-Procurement-Modernization-Report

CORE News &Tips

VPAT & Accessibility

One-Net Contracts

Oklahoma Bid Assistance

http://www.ok.gov/DCS/Central_Purchasing/index.html

CP Home
ITBs/RFPs
Awarded Bids
StateWide Contracts
P/Card Information
State Use Program
CPO Program
Vendor Registration
Vendor Verification
Vendor Performance
CP Processes, Rules & Statutes
FAQs
CP Contact Info
CP Library forms

CENTRAL PURCHASING PROCESSES, RULES AND STATUTES

Rules, Statutes and Standards

- Central Purchasing Act (uploaded 07/14/2010) - HB2332 Summary also available.
- Central Purchasing Rules (uploaded 06/25/2010, file corrected 06/28/2010)
- Central Purchasing Rules Summary of Changes (uploaded 06/25/2010)
- Central Purchasing Rules Revised Sections Only (uploaded 06/25/2010)
- VPAT and Oklahoma IT Accessibility Standards

Purchasing Processes

- Acquisition Process (Procurement Flow Chart) (released 09/11/2009)
  - AQ-001 - State Use (released 09/11/2009, revised 10/29/2009)
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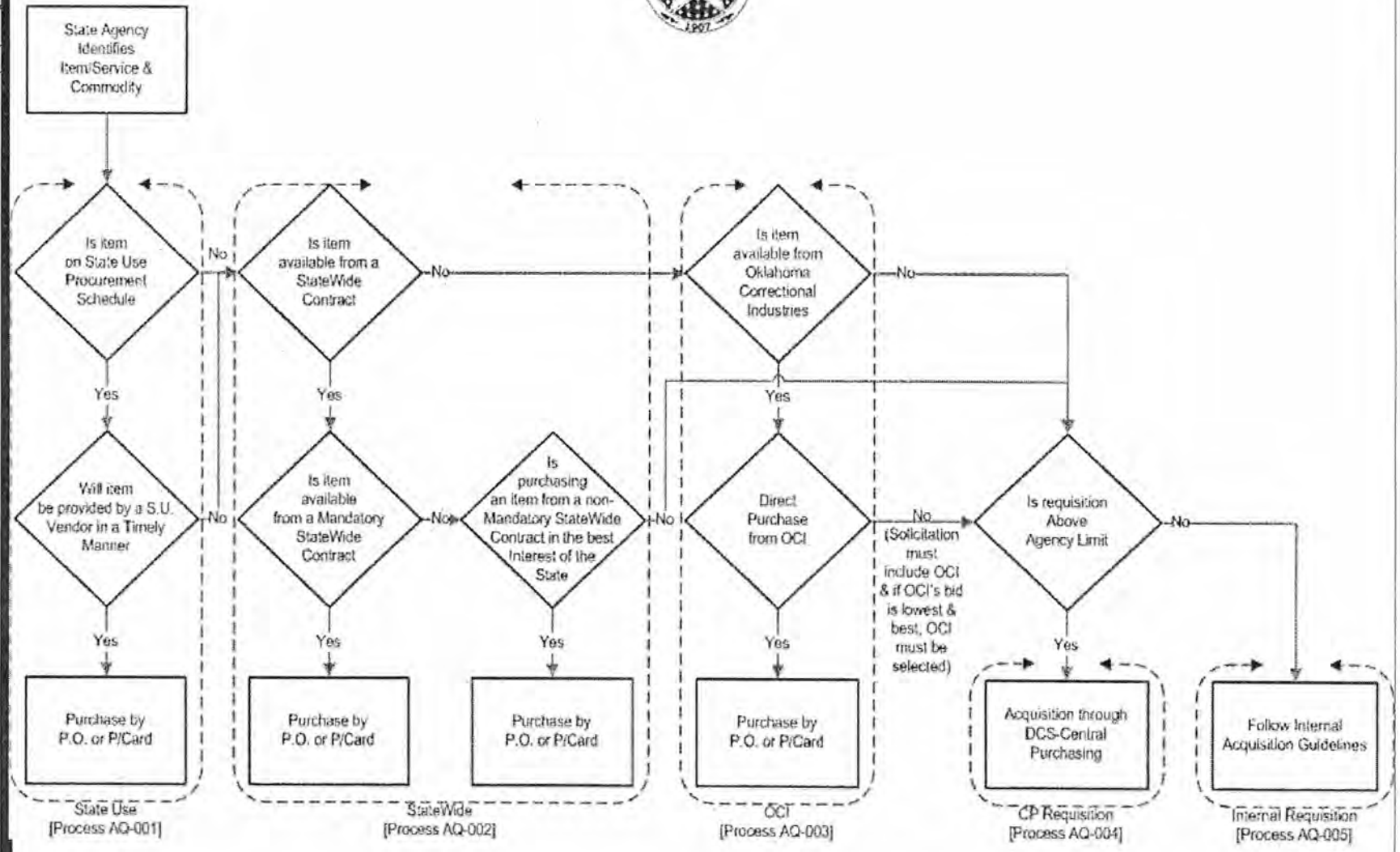
Solicitation Process

PROCUREMENT FLOW



Solicitation Process

1. In order to assure uniformity and better accessibility of published documents, Central Purchasing:

- **requires** using the CP solicitation packages for solicitations processed through Central Purchasing:
  - CP-FULL - for complex solicitations requiring specifications, special provisions, etc
  - CP-SHORT - for simple solicitations
- **recommends** using the AGENCY solicitation packages for solicitations processed internally by an agency, especially for requisitions within $50-$100k threshold in order to mitigate the risk of possible litigation by using CP approved terms and conditions:
  - AGENCY-FULL - for complex solicitations requiring specifications, special provisions, etc
  - AGENCY-SHORT - for simple solicitations
  - GENERAL PROVISIONS: CP or AGENCY (agencies and entities exempted from the Central Purchasing Act are encouraged to use at least general provisions provided by the Central Purchasing Division; provisions are being frequently updated)

2. The Department of Central Services, Central Purchasing has recognized that the state, each agency and suppliers would benefit from posting all state solicitations at one location. To facilitate this vision, DCS is creating an integrate tool for the posting of all solicitation opportunities within the DCS web-site. We are looking forward to introducing the system to all interested agencies by the end of FY2010. Agencies who wish to participate (19 up to date) will need to

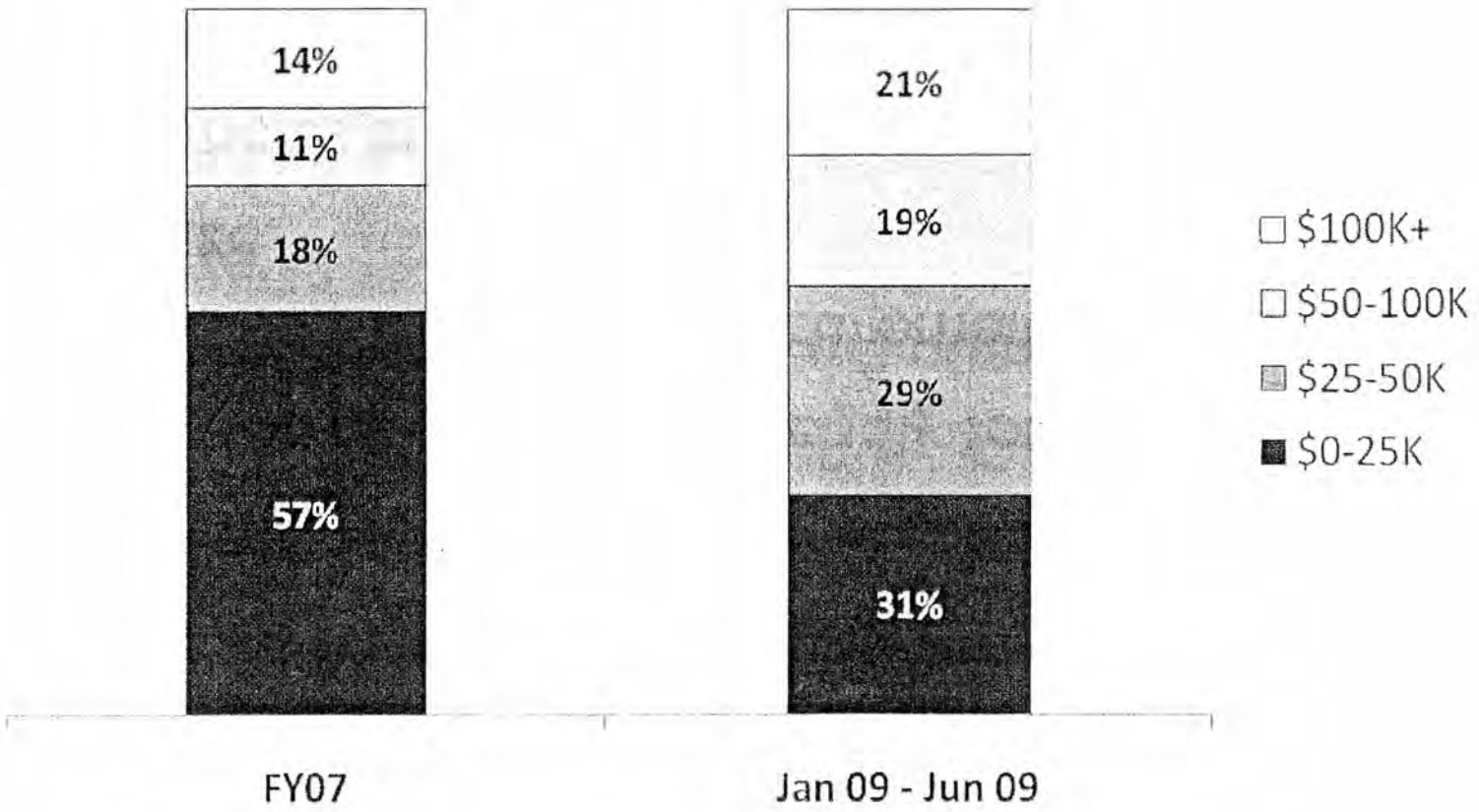
- have an active CPO on staff
- current procedures updated to allow for the posting of solicitations in excess of $5,000
- use the solicitation packages created by DCS-CP for agencies (see above).

If your agency would like to participate, please send an e-mail to Central Purchasing at: cp_feedback@dcs.state.ok.us with the following information:

Standard Solicitation Package

- Assure statutory compliance
- Provide a common organizational structure
- Provide a more user friendly format
- Central Purchasing Procurement is required to utilize
- Agencies are encouraged to utilize
- Working template will speed processing
- Review general terms vs. agency terms
- Detailed instructions now available

Tactical to Strategic……..



Compiled by Treya Partners, August 2009

BEST PRACTICES…

- Identify volume of an acquisition
- Utilization of end users and agency experts
- Right-sizing or modification of specifications
- Leverage technology to reduce administrative costs
- Spend analysis

BEST PRACTICES

- Unbundling pricing for greater transparency
- Develop target pricing
- Track spend data for future solicitations
- Benchmarking against other states or private companies
- Use of indices or other tools to derive underlying cost drivers
- Negotiation(s) employed to reduce costs

General Procurement Issues

- ***Requisitions:***
  - *Agency acquisitions processed by C.P. must be initiated by an agency written request (requisition)*
- ***Waivers:***
  - *Title 74 § 85.7 A2b*
  - *The State Purchasing Director can waive or increase the $50,000 by not more than 10% to perfect an otherwise valid acquisition that inadvertently exceeds agency purchase authority*

General Procurement Issues (continued)

- **Open Market Purchase**
  - A one-time purchase that does not exceed the threshold requiring competitive bid

- **Split Purchasing**
  - Dividing a known quantity or failing to consolidate a known quantity for purposes of evading a competitive bid requirement or p-card threshold
  - Split purchasing is a felony offense

General Procurement Issues (continued)

- **Public Finance**
  - Title 62 in the Oklahoma State Statutes

- **Lease-Purchase Agreements**
  - Title 74 § 85.41 1
  - No state agency shall enter into a lease-purchase agreement for real property costing LESS than $50,000
  - Council of Legislative Bond Oversight shall have the authority to determine the most cost effective method for obtaining financing and is subject to provisions of the OK Bond Oversight & reform act.
  - Financing shall be competitively bid through Central Purchasing

General Procurement Issues (continued)

- **Public Sale Procedures (74.85.44.C.)**
  - It is unlawful to enter into a contract in which the agency furnishes materials or equipment to be used by the vendor if the contract allows the vendor to acquire ownership except through competitive bid
- **Statewide Contracts**
  - Competitively bid by Central Purchasing
  - Specific contract period
  - Specific type of acquisition
  - Indefinite delivery type
  - Reduces agency administrative burden by allowing agencies to place orders as supplies or services are needed

Sole Source / Sole Brand

- Sole Source – restricts acquisition to one supplier
- Sole Brand – restricts to one manufacturer or brand name
- Requires sole source certification, signed by the chief administrative officer of state agency
- Defined in Title 74 Section 85.2.29 and 85.2.30
- Form 002 on DCS web site & 85.54j of CPA

Sole Source / Sole Brand (cont.)

- Sole source certification is not required for acquisitions less than $5,000.
- Retain Sole Source certification in requesting agency file and attached to requisition if submitted to CP
- Guidelines for sole source acquisitions Central Purchasing PIMS including eight (8) reason codes
  - DCS-CP-PIM-99-03.pdf

Professional Service

- Must comply with title 74:85.41
- State agency "shall" administer, monitor, audit and evaluate professional services against work plan
- Deficiencies "shall" be reported to State Purchasing Director
- If a report is the final product, the report "shall" be filed with the State Librarian and Archivist

Professional Service (cont.)

- Contract "shall" include an audit clause
- Supplier must sign sworn statement certifying not previously provided
- Uniform rate for duration of contract
- Attach license to requisition
- Attach AG approval for attorneys

Professional Service (cont.)

- Must be signed by the state agency's chief administrative officer or the chief administrative officer of the requisitioning unit
- Examples of professional services found in title 18:803 include professional engineers, physicians, attorneys, psychologists, registered nurses, professional counselors and veterinarians

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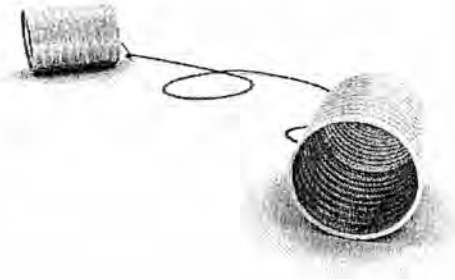

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