

2020 Survey of State Procurement Practices Executive Summary



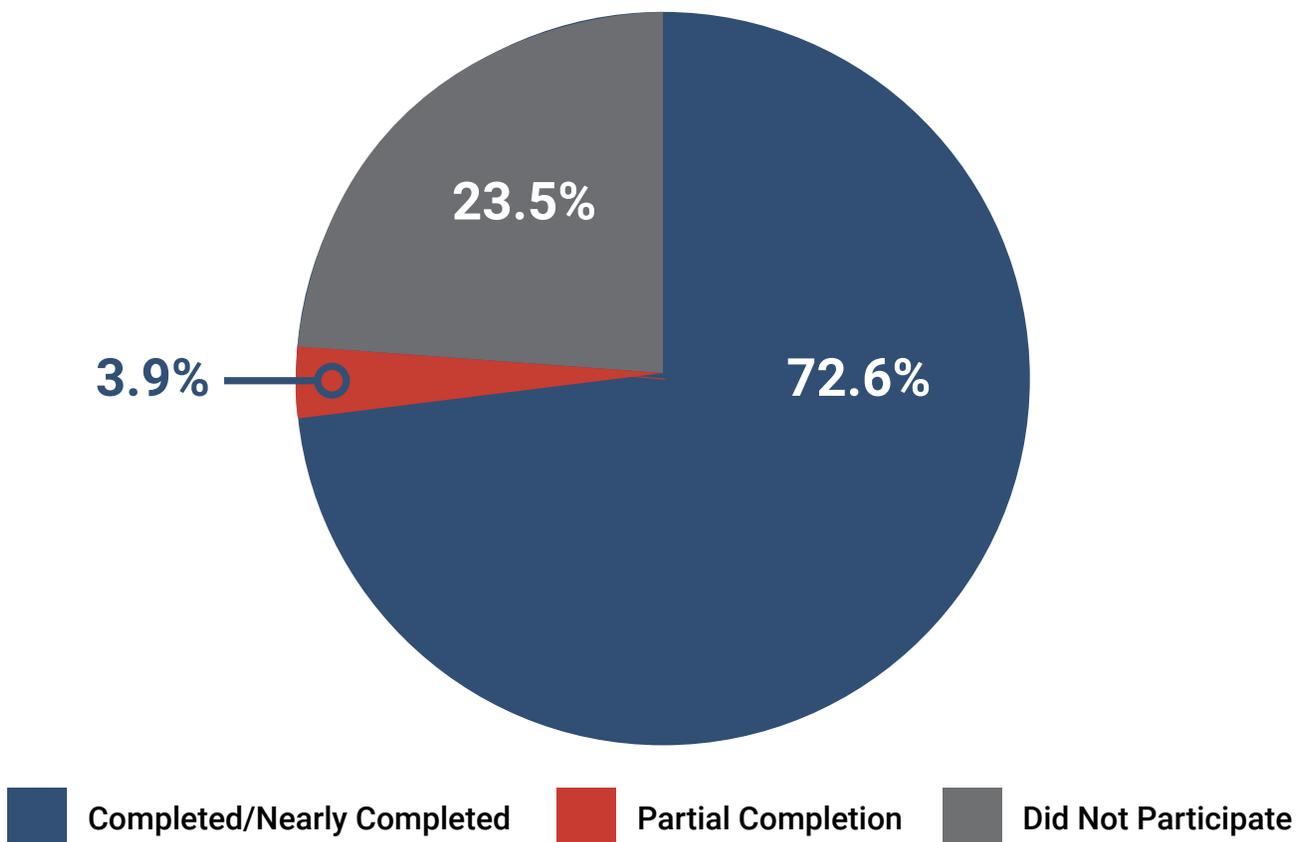
ABOUT THE SURVEY

The Survey of State Procurement Practices is the comprehensive body of knowledge, including statutory, regulatory and policy requirements for procurement, as well as existing practices in member states and territories of the National Association of State Procurement Officials (NASPO). Central procurement officials (CPOs) in 39 member states participated in the online survey. 37 completed all or nearly all questions, with another 2 member states offering responses to a portion of questions. Survey findings presented in this report reflect statutes, laws and regulations, policies and agency practices as of August 2020, the period of the data collection. This report summarizes responses to the 2020 Survey.

The unpredictable nature of this year, with the onset of the Covid-19 pandemic and the frequency of natural disasters and other emergencies, placed unforeseen obstacles in front of our members and unprecedented pressure on their work. With that in mind, NASPO is extremely grateful for those who were able to find time to participate in this survey.

This year's survey was revised to be more concise with fewer questions, but also more targeted towards capturing the most relevant data from the practices of the modern procurement office. This is intended to provide a baseline of statistical information against which future data can be compared to identify the changes in the roles, responsibilities, and practices of state procurement offices and officials in the years to come.

PROCUREMENT OFFICE PARTICIPATION



**51 total states/jurisdictions*

STATE PROCUREMENT LAWS, REGULATIONS AND POLICIES

State central procurement officials operate in a constantly evolving procurement environment. Links to some of the procurement laws, general statutes or specific policies that provide them the tools to operate in this challenging environment are presented in the Appendix at the end of this report. NASPO supports implementing the American Bar Association (ABA) Model Procurement Code's provisions into state procurement laws.



CHIEF PROCUREMENT OFFICER

Chief Procurement Officer (CPO) refers to the official who leads the state central procurement office and is responsible for the control of all procurement efforts across the state, as established by statute or law. According to the NASPO's *State and Local Government Procurement: A Practical Guide*, the ideal procurement organizational structure is a comprehensive law covering all agencies and types of procurements, with centralized management placed in the hands of the chief procurement official at a high executive level within a government.

In practice, this varies among the states. CPOs reporting directly to the governor were reported in 2 states. CPOs in most states report to the head of the Department of Administrative Services, or Department of General Services, who then reports to the governor, or other officials in the governor's cabinet.

For the purposes of this survey, major responsibilities of the central procurement office and final authority residing with the CPO include:

- Developing rules, policies, and procedures prescribing the manner by which goods and services may be procured
- Establishing statewide contracts to leverage enterprise spend
- Establishing agency-specific contracts
- Performing contract oversight, contract administration, contract management, and contract compliance
- Resolving contract disputes
- Centralized procurement training for procurement staff and agencies
- Supplier relationships and training
- Supplier registration

31
of the responding states have a single CPO.

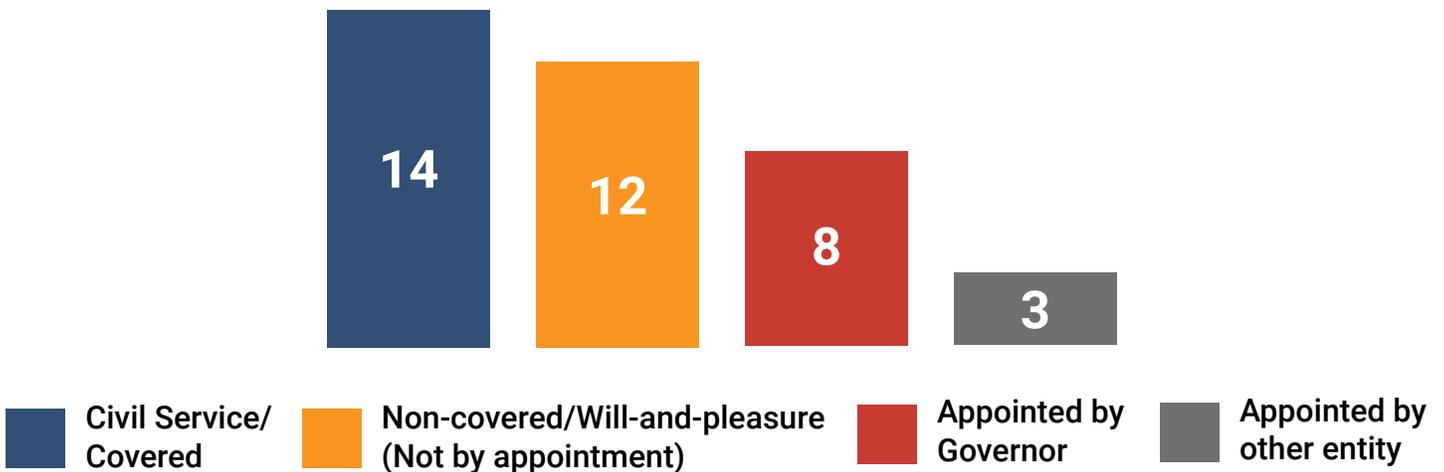
23
of the responding states, the title, role and authority residing with the CPO is established in statute.

86% of the responding states have a single CPO. For the remainder, procurement responsibility is split with other CPOs, or there are other CPOs at different control agencies throughout the state.

The employment structure for the CPO position classification as the official heading the state central procurement office varies among the responding states.

- CPOs are civil service positions in 14 states.
- CPO positions are at the will and pleasure of the employer in 12 states.
- The CPO position is executive-appointed in 8 states.

CPO POSITION BY CLASSIFICATION*



*37 total respondents

The size of the state central procurement office varies greatly depending on the size of the state and procurement authority. Staff sizes reported by survey respondents range between as few as 9 for procurement offices in small states like North and South Dakota, to 200 procurement professionals in large states like California.

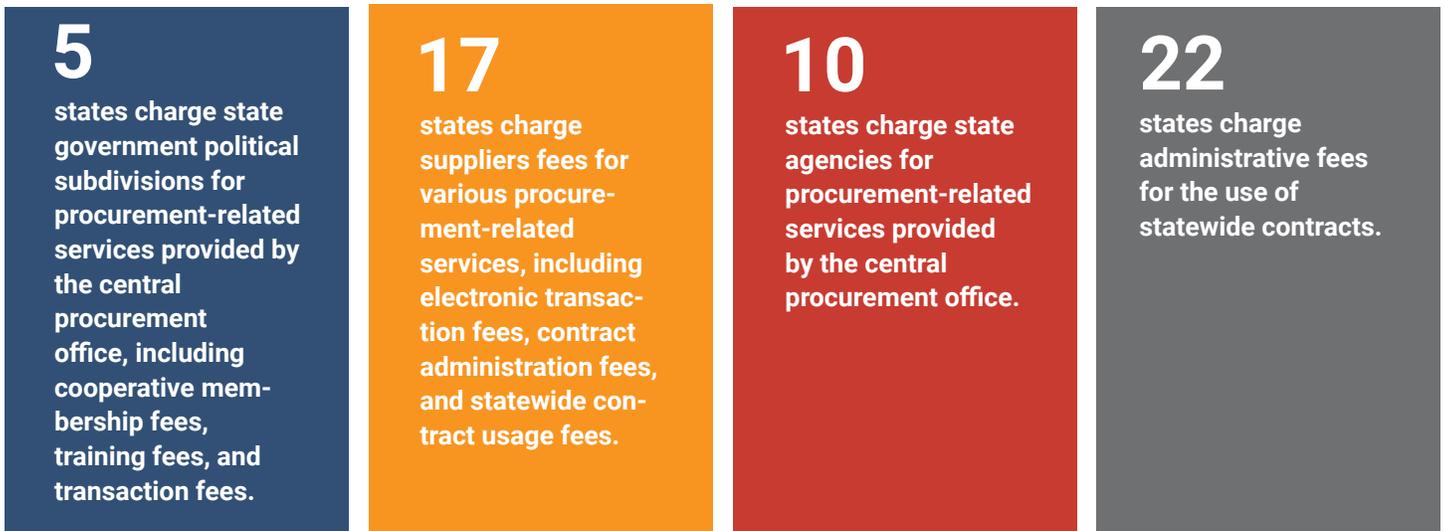
State central procurement offices across the nation provide valuable professional development services to state agencies. All responding states reported providing training services for state agency purchasers.

A state count for central offices that provide procurement training and a procurement certification program for state agency purchasing staff is shown in the chart below.

PROFESSIONAL DEVELOPMENT SERVICES PROVIDED BY CENTRAL PURCHASING OFFICES



Of the states responding to the survey:



STATE PURCHASING OFFICE

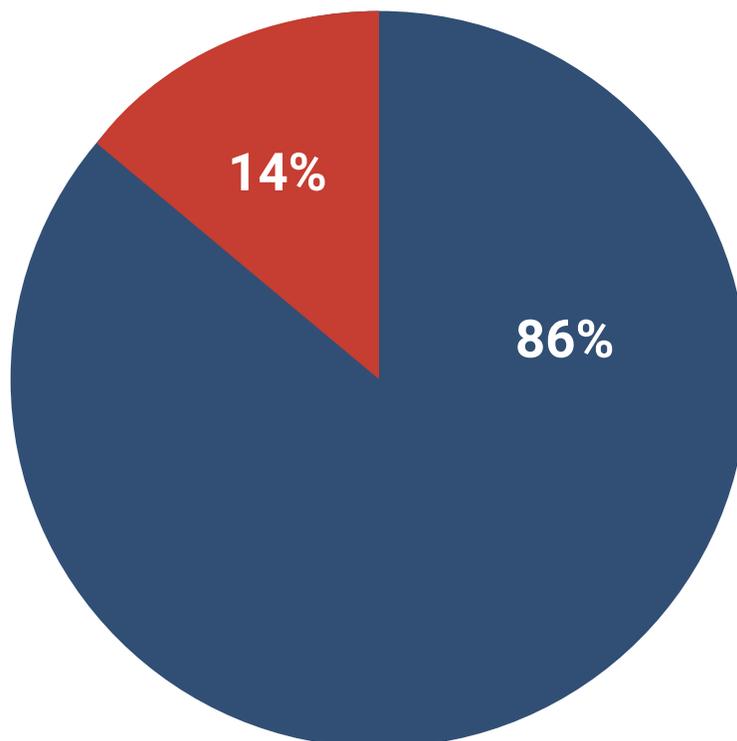


PROCUREMENT AUTHORITY

31

responding states have a central procurement office with statutory purchasing authority across all areas of procurement within the state.

STATE CENTRAL PROCUREMENT OFFICE AUTHORITY STATEWIDE



Central Procurement Offices with authority for all areas of procurement within the state

Central Procurement Office does not have authority across all areas of procurement within the state

**36 total respondents*

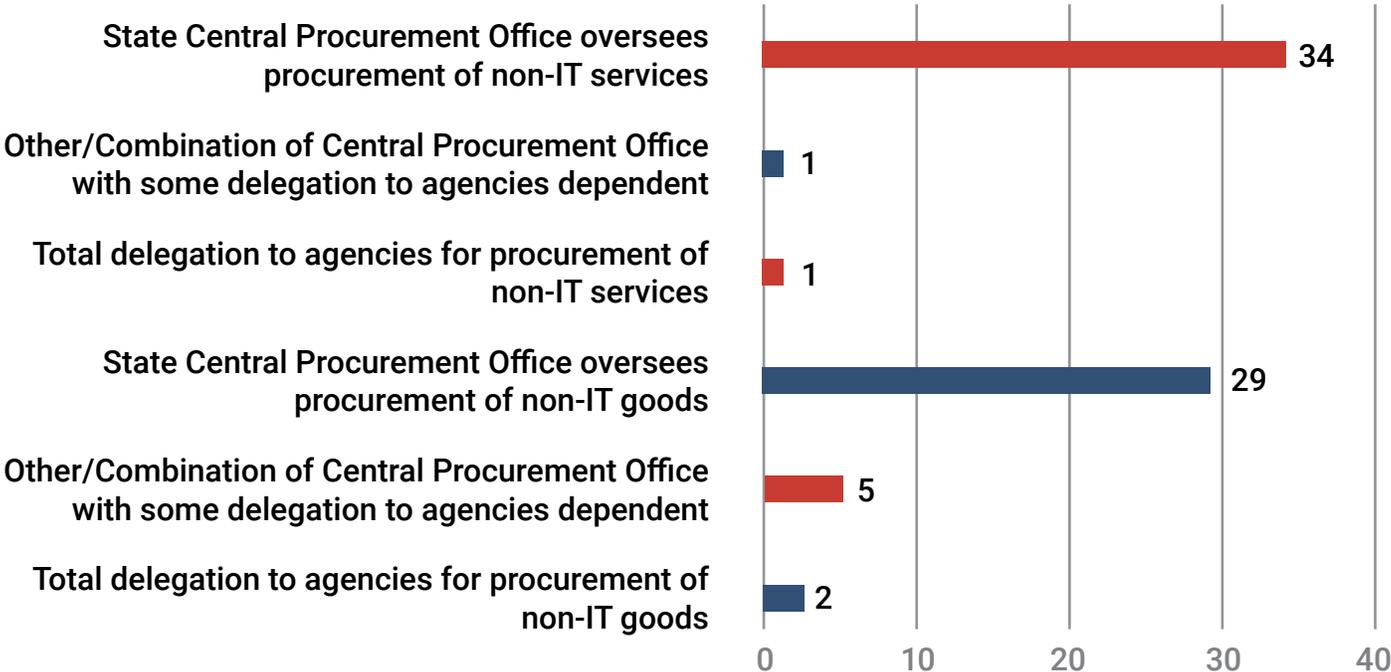
NON-TECHNOLOGY GOODS AND SERVICES

94%
of responding state central procurement offices have statutory procurement authority and oversight for non-technology goods.

81%
of responding state central procurement offices have statutory procurement authority and oversight for non-technology services.

The chart below presents a state count for the entity that has statutory authority for procurement of non-technology goods and services. The remainder of the states have other types of procurement authority such as joint authority with agencies, depending on the dollar value of goods and services procured, or a combination of central procurement oversight and some delegation to agencies.

STATUTORY PROCUREMENT AUTHORITY FOR NON-IT GOODS AND SERVICES



 Statutory Procurement Authority for Non-IT Goods

 Statutory Procurement Authority for Non-IT Services

IT GOODS AND SERVICES

Of the 36 responding states:

58%
of states reported that the central procurement office has authority and oversight over information technology (IT) goods.

19%
reported that central procurement office shares authority with another office or agency for IT goods.

19%
reported that another agency has procurement authority over IT goods.

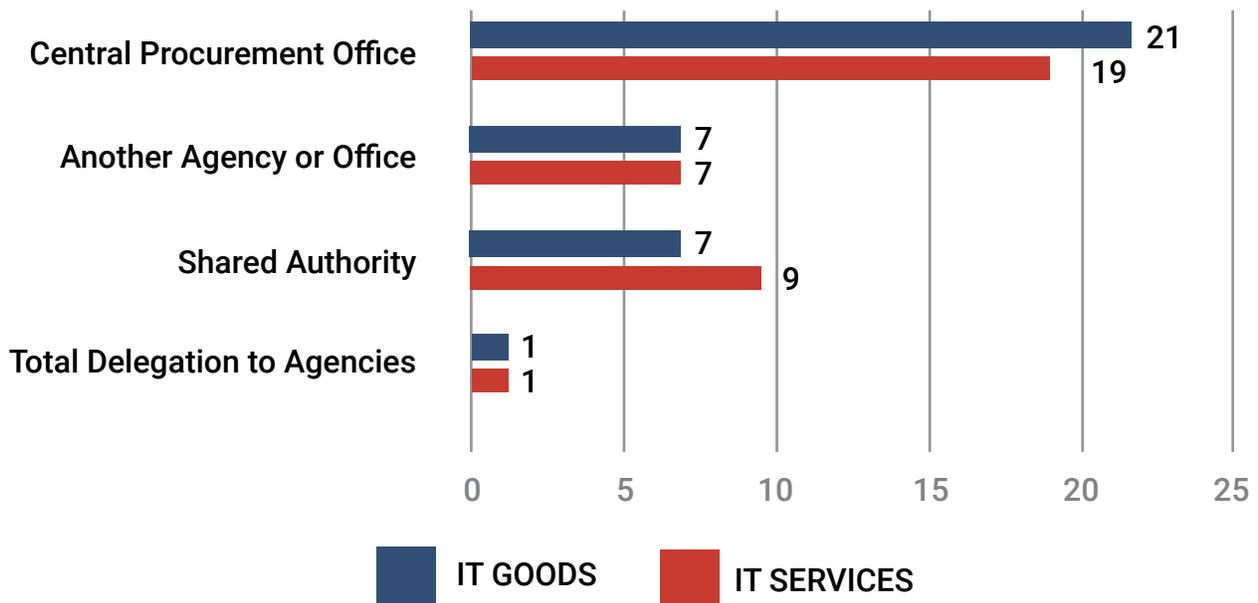
53%
of states indicated that the state central procurement office oversees purchasing of technology services.

25%
reported sharing authority with another office or agency for IT services.

19%
reported that IT services are purchased by another agency.

The chart below presents a state count for the entity that has authority and oversight for the procurement of IT goods and services.

PURCHASING AUTHORITY AND SUPERVISION FOR IT GOODS AND SERVICES



*36 total respondents

PROCUREMENT AUTHORITY BY CATEGORY

Table 1 shows the oversight by state central procurement offices nationwide for different types of procurement.

Table 1: Statutory Procurement Authority and Oversight

PURCHASING CATEGORY	NUMBER OF STATE CENTRAL PROCUREMENT OFFICES/ ENTITIES WITH PURCHASING AUTHORITY AND OVERSIGHT
Non-technology Goods	34
Non-technology Services	34
IT Goods	21
IT Services	19
Higher Education	8
Building Construction	9
Highway Construction	1

**36 total respondents*

The judicial and legislative branches and universities are exempt from the central purchasing oversight in a vast majority of responding states (judicial – 28, legislative - 30, universities – 26).

13

responding state central procurement offices have Transportation exempt from state central procurement oversight.

8

responding state central procurement offices have political/constitutional offices exempt.

PROCUREMENT DELEGATION

34

states have authority under their statutes or regulations to delegate portions of their authority to other state agencies.

Delegation refers to the power of entities to issue solicitations and make awards without direct approval by the central procurement organization.

The dollar levels of delegated authority vary widely by state, and are dependent upon:

- The type of procurement
- Agency delegation authority
- A statewide contract and an expectation that it be used by state agencies

Some states allow higher levels or unlimited delegation authority but require some level of review of bid documents and approval by the central procurement office.

SOLICITATION PRACTICES

The solicitation process continues to evolve as many states continue to update and improve their practices.

81%

of responding states have authority to conduct best value procurement.

86%

of responding states have authority to conduct multi-step competitive sealed bidding.

74%

of responding states have a statutory, regulatory, or operating procedure for determining bidder responsibility.

79%

of responding states have statutory or policy provisions to determine bid responsiveness.

94%

of responding states have authority to conduct noncompetitive procurements. CPOs of those jurisdictions have authority to develop sole source procedures, including criteria and lists of non-competitive commodities where competition may be waived.

Dollar-amount thresholds for informal procurement vary widely across the states, ranging from as low as \$500 to as high as \$60,000, with \$10,000 being the most common among respondents.

CONTRACTING PROCEDURES

Contract execution is the process through which a state central procurement office enters into a binding contractual relationship, e.g., use of an award that operates as an acceptance of a bid or offer, issuance of a purchase order to accept a bid or offer, or bilateral execution of a contract document after an award decision is made.

Contract management is an essential part of the procurement process. Delivery, quality, and issue resolution were some of the aspects of supplier performance tracked and reported centrally.



CONSTRUCTION DELIVERY METHODS

The table below shows the project delivery methods authorized by state law when awarding contracts for construction or renovation of state infrastructure (e.g. buildings, bridges, highways). Many states authorize a variety of methods, with the most common being the traditional approach of “Design-Bid-Build.”

Table 2: Construction Project Delivery Methods Authorized by State Law

PROJECT METHOD	NUMBER OF STATES
Design-Bid-Build	28
Design-Build	25
Construction Manager at Risk	18
Job Order Cost	11
Design-Build-Operate-Maintain	7
Design-Build-Finance	5
Public-Private Partnership	14
Integrated Project Delivery	4

**31 Total Respondents*

GREEN PURCHASING

Green purchasing has a lesser or reduced negative effect on health and the environment when compared to competing products or services serving the same purposes. Many states leverage their purchasing power to achieve environmentally preferable goals at the policy or program level, or by offering statewide contracts that include green products and services. The chart below shows the number of the states that implemented various types of green programs and initiatives.

Table 3: State Implementation of Green Purchasing Policies, Contracts, and Programs

TYPES OF MEASURES	NUMBER OF STATES
Statewide contracts offering green products and services	22
Green Purchasing Policy	12
Executive Order mandating green purchasing/sustainability initiatives and goals	14
Set-asides or price preferences for green products and services	5
Other green purchasing programs or initiatives	2

**29 Total Respondents*

COOPERATIVE PROCUREMENT

Cooperative purchasing continues to increase in popularity due to the potential for saving state governments significant time and money. Jurisdictions having authority to enter into cooperative purchasing will typically consider any available cooperative purchasing award that meets the best interest of their jurisdictions. The survey results confirm the fact that the use of cooperative purchasing at the state level continues to increase.

All responding states reported having authority to conduct cooperative purchasing.

The table below illustrates the types of entities with which respondents have authority to conduct cooperative purchasing.

Table 4: Entities Authorized for Cooperative Contracting

TYPES OF ORGANIZATIONS	NUMBER OF STATES
Local governments within the state	30
Other local governments outside the state	24
Public school systems	23
Other state governments	34
Federal government	31
Other countries	6
Not-for-profit organizations	8

**35 Total Respondents*

All respondents purchase from NASPO ValuePoint cooperative contracts.

36
 states also reported using other cooperative contract services such as MMCAP (Minnesota Multistate Contracting Alliance for Pharmacy), GSA (U.S. General Service Administration), and NJPA (National Joint Powers Alliance).

SUPPLIERS' LIST PRACTICES

84%

of responding states do not charge a fee for supplier registration. Of the states that charge a registration fee, most apply the charge annually.

Supplier registration fees charged by states range from a one-time fee of \$25, to annual fees up to \$125.

70%

of state central procurement offices post a list of suspended or debarred bidders on their website.

ELECTRONIC PROCUREMENT

33

responding states indicated that they use an electronic procurement (eProcurement) or Enterprise Resource Planning (ERP) system.

The most common systems used are:

- PeopleSoft
- Oracle
- CGI
- SAP
- Jaggaer

Table 5: Primary Funding Sources for Existing eProcurement and ERP Systems

SOURCE	NUMBER OF STATES
State Appropriations	18
Supplier Fees	10
User/Agency Fees	9
Contract Rebates	1
Other Sources	1

**23 Total Respondents*

Other funding sources used by states include administrative fees paid by vendors or agencies purchasing through statewide contracts, or technology funds.



PROTESTS AND CLAIMS



2020 SURVEY OF STATE PROCUREMENT PRACTICES

APPENDIX: STATE PROCUREMENT LAWS, REGULATIONS, AND POLICIES

PARTICIPATING STATES	LINKS TO PROCUREMENT LAWS, REGULATIONS, AND POLICIES
Alabama	www.Purchasing.Alabama.Gov http://alisondb.legislature.state.al.us/alison/CodeOfAlabama/1975/Coatoc.htm
Alaska	http://doa.alaska.gov/dgs/pdf/State%20Procurement%20Code.pdf http://doa.alaska.gov/dgs/pdf/Purchasing%20Regulations.pdf http://doa.alaska.gov/dof/manuals/aam/resource/81.pdf
Arizona	https://spo.az.gov/administration-policy/state-procurement-resource/procurement-regulations
Arkansas	http://www.dfa.arkansas.gov/offices/procurement/Pages/default.aspx
California	www.dgs.ca.gov
Colorado	https://www.colorado.gov/pacific/osc/procurement-resources
Conneticut	https://portal.ct.gov/DAS/Procurement/Contracting/DAS-Procurement-Policy-and-Regulatory-Resources-Statutes-Regulations-etc
Delaware	www.Delaware.gov https://gss.omb.delaware.gov/MyMarketplace.Delaware.gov delcode.delaware.gov/title29/c069/index
Georgia	http://pur.doas.ga.gov/gpm/MyWebHelp/GPM_Main_File.htm
Hawaii	https://spo.hawaii.gov/
Idaho	https://purchasing.idaho.gov/governing-laws-and-policies/ https://legislature.idaho.gov/statutesrules/idstat/Title67/T67CH92/ https://adminrules.idaho.gov/rules/current/38/380501.pdf
Illinois	www.cpogs.illinois.gov
Iowa	https://das.iowa.gov/procurement
Louisiana	<p>The Louisiana State Procurement Code: LA R.S. 39:1551 et seq. https://www.legis.la.gov/Legis/Law.aspx?p=y&d=96044</p> <p>The Louisiana Administrative Code, Title 34, Part V https://www.doa.la.gov/Pages/osr/lac/books.aspx</p> <p>OSP's website: https://procurement.la.gov</p>
Maine	https://www.maine.gov/dafs/bbm/procurementservices/

Maryland	https://procurement.maryland.gov/procurement-staff/ http://www.dsd.state.md.us/comar/SearchTitle.aspx?scope=21 http://mgaleg.maryland.gov/mgawebsite/Laws/Statutes http://mgaleg.maryland.gov/2020RS/Statute_Web/gsf/gsf.pdf https://bpw.maryland.gov/Pages/advisories.aspx
Minnesota	http://www.mmd.admin.state.mn.us/
Mississippi	www.dfa.ms.gov
Missouri	http://oa.mo.gov/purchasing/procurement-authority
Montana	https://spb.mt.gov/Laws-Rules
Nevada	Nevada Law Library: NRS 333 and NAC 333
New Mexico	http://www.generalservices.state.nm.us/statepurchasing/
North Carolina	http://ncadmin.nc.gov/government-agencies/procurement/procurement-rules
North Dakota	https://www.nd.gov/omb/agency/procurement/laws-rules-and-guidelines
Ohio	http://codes.ohio.gov/orc/125 http://codes.ohio.gov/oac/123 State of Ohio Administrative Policy: Emergency Purchasing Procedures https://das.ohio.gov/Portals/0/DASDivisions/CollectiveBargaining/pdf/PM-02%20Emergency%20Purchasing%20Procedures%20signed.pdf?ver=2018-12-28-165416-940 State of Ohio Administrative Policy: Emergency Purchasing Procedures https://das.ohio.gov/Portals/0/DASDivisions/CollectiveBargaining/pdf/PM-02%20Emergency%20Purchasing%20Procedures%20signed.pdf?ver=2018-12-28-165416-940
Oklahoma	https://omes.ok.gov/services/purchasing/reference-guide
Oregon	http://www.oregon.gov/das/Procurement/Pages/Index.aspx
Rhode Island	https://www.ridop.ri.gov/rules-regulations/
South Carolina	www.procurement.sc.gov/policy http://www.procurement.sc.gov/legal/procurement-law http://www.scstatehouse.gov/code/t11c035.php
South Dakota	https://boa.sd.gov/central-services/procurement-management/procurement-management-agencyInfo.aspx https://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=5-18A https://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=5-18B https://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=5-18D
Tennessee	http://tn.gov/generalservices/procurement.html

<p style="text-align: center;">Texas</p>	<p>Texas Procurement and Contract Management Guide: https://comptroller.texas.gov/purchasing/publications/procurement-contract.php</p> <p style="text-align: center;">Texas Government Code</p> <p>CHAPTER 2155. PURCHASING: GENERAL RULES AND PROCEDURES https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2155.htm</p> <p style="text-align: center;">CHAPTER 2156. PURCHASING METHODS https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2156.htm</p> <p style="text-align: center;">CHAPTER 2157. PURCHASING: PURCHASE OF AUTOMATED INFORMATION SYSTEMS https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2157.htm</p> <p>CHAPTER 2158. PURCHASING: MISCELLANEOUS PROVISIONS FOR PURCHASE OF CERTAIN GOODS AND SERVICES https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2158.htm</p> <p>CHAPTER 2161. HISTORICALLY UNDERUTILIZED BUSINESSES https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2161.htm</p> <p style="text-align: center;">CHAPTER 2163. COMMERCIALLY AVAILABLE ACTIVITIES https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2163.htm</p> <p style="text-align: center;">CHAPTER 2170. TELECOMMUNICATIONS SERVICES https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2170.htm</p> <p>CHAPTER 2254. PROFESSIONAL AND CONSULTING SERVICES https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2254.htm</p> <p>CHAPTER 2261. STATE CONTRACTING STANDARDS AND OVERSIGHT https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2261.htm</p> <p style="text-align: center;">CHAPTER 2262. STATEWIDE CONTRACT MANAGEMENT https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2262.htm</p> <p>Human Resources Code CHAPTER 122. PURCHASING FROM PEOPLE WITH DISABILITIES https://statutes.capitol.texas.gov/Docs/HR/htm/HR.122.htm</p> <p>Government Code CHAPTER 497. INDUSTRY AND AGRICULTURE; LABOR OF INMATES SUBCHAPTER A. TEXAS CORRECTIONAL INDUSTRIES https://statutes.capitol.texas.gov/Docs/GV/htm/GV.497.htm</p>
<p style="text-align: center;">Utah</p>	<p style="text-align: center;">https://le.utah.gov/xcode/Title63G/Chapter6A/63G-6a.html</p>
<p style="text-align: center;">Vermont</p>	<p>State of Vermont Administrative Bulletin 3.5 establishes the general policy and minimum standards for soliciting services and products from vendors outside of state government, processing the related contract(s), and overseeing established contracts through their conclusion. The Bulletin is on-line at: http://aoa.vermont.gov/bulletins.</p>

<p>Vermont</p>	<p>The Office of Purchasing & Contracting carries out the procurement responsibilities assigned to the Commissioner of the Department of Buildings and General Services (BGS) in 29 VSA Chapter 49 and 29 VSA Chapter 5 § 152 and § 161 and is responsible for making all purchases of goods/products, including fuel, supplies, materials and equipment for all State Agencies and Departments. Further, OPC is responsible for administering solicitation, procurement and contracting, as set forth in Administrative Bulletin 3.5. As such, OPC has centralized authority for commodity purchases (technology and non-technology), bid administration of technology projects, oversight of some Statewide services (technology and non-technology), vertical construction procurements for the Department of Buildings and General Services (BGS), and procurements by specific State Agencies and Departments over a certain threshold.</p> <p>Websites: http://legislature.vermont.gov/statutes/section/29/049/00903 http://legislature.vermont.gov/statutes/section/29/049/00903a http://legislature.vermont.gov/statutes/section/29/049/00922 http://legislature.vermont.gov/statutes/section/29/005/00152 http://legislature.vermont.gov/statutes/section/29/005/00161</p>
<p>Washington</p>	<p>https://des.wa.gov/services/contracting-purchasing/policies-training/resources https://des.wa.gov/about/projects-initiatives/procurement-reform/current-enterprise-procurement-policies</p>
<p>West Virginia</p>	<p>http://www.wvlegislature.gov/WVCODE/code.cfm?chap=5A&art=3#01 https://apps.sos.wv.gov/adlaw/csr/rule.aspx?rule=148-01</p>
<p>Wisconsin</p>	<p>Policies can be found at: https://doa.wi.gov/procurementmanual/Pages/default.aspx State laws are located at: https://docs.legis.wisconsin.gov/statutes/statutes/16/IV/70 State Administrative Code is located at: https://docs.legis.wisconsin.gov/code/admin_code/adm/10 https://docs.legis.wisconsin.gov/code/admin_code/adm/7</p>