

## TECHNICAL BULLETIN No. 002

TITLE: **Delegation of Procurement Authority**

REVISION: **Number 7**

DATE(s): Current Version: **October 22, 2021**

Previous Version: June 14, 2017

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### I. Authority

#### A. Applicable Arizona Revised Statute(s)

A.R.S. § 41-2511 Authority of the Director

A.R.S. § 41-2512 Delegation of authority or functions by the Director

#### 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

### II. Definitions

- A. Arizona State Contract: A contract established or authorized by the state procurement administrator for use by state governmental units and eligible procurement units. [Source: A.A.C. R2-7-101]
- B. Agency Chief Procurement Officer: The person within a state governmental unit, who is acting under specific, written authority from the state procurement administrator in accordance with R2-7-202 or any person delegated that authority, in writing, under R2-7-203. The term does not include any other person within a state governmental unit who does not have this written delegation of authority. [Source: A.A.C. R2-7-101]
- C. Employee: An individual drawing a salary from a state governmental unit, whether elected or not, and any non-compensated individual performing personal services for any state governmental unit. [Source: A.R.S. §41-2503]
- D. 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
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executive authority of the governor. [Source: AZ State Library, Archives and Public Records, Law and Research Library Div.]

- E. State Procurement Office: An office that acts under the authority delegated to the state procurement administrator. [Source: A.A.C. R2-7-101]
- F. 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 commission of this state. [Source: A.R.S.§ 41-2503]
- G. Arizona Procurement Portal (APP): The official designated state electronic procurement system.

### III. Policy

The state procurement administrator (SPA) shall delegate certain procurement authority to state governmental units in accordance with A.A.C. R2-7-202.

- A. Term: The term for all delegations of authority shall be three years, unless determined otherwise by the SPA.
- B. Determining factors: The SPA 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 certifications held by staff;
    - c. Required successful completion of the required training identified in Attachment 1.
  - 3. Impact of the delegation on the state governmental unit's procurement efficiency and effectiveness;
  - 4. The state governmental unit's compliance with the Arizona Procurement Code, applicable Governor's Executive Orders, State Procurement Office 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 granted access to

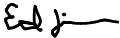
APP for audit purposes. This record shall also contain dates of access restriction or termination for each individual.

- D. Delegation list. The agency director or chief procurement officer shall maintain and provide to SPO Compliance at SPOCompliance@azdoa.gov a current list of all employees with delegated authority including subdelegation. This list shall be kept up to date in accordance with the letter of delegated authority.
- E. Delegation Limits. In addition to the conditions that define a state governmental unit's procurement authority listed in Subsection B, the SPA shall delegate procurement authority to a state governmental unit based on the following dollar limit categories:
1. Limited: This category of delegated authority shall be issued with one of the following designated procurement dollar limits for competitive procurements. However, there is no procurement dollar limit imposed on purchases from mandatory Arizona state contracts by state governmental units;
    - a. \$0 up to \$10,000, \$100,000 or \$1,000,000;
    - b. Custom amount as specified in Delegation of Authority Letter.
  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 but may have other conditions or limitations of procurement authority.
- F. Retained Authority. The SPA retains all authority and duties delegated to an agency chief procurement officer at the state governmental unit.
1. The SPA 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 Technical Bulletins, Standard Procedures, and delegation agreement.
  2. The state governmental unit shall involve the SPA in the selection process for the state governmental unit's 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 SPA 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 SPA 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.

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

#### IV. **Effective**

This Technical Bulletin is hereby authorized and effective on Oct 22, 2021, unless otherwise revised or repealed.



ED Jimenez (Oct 22, 2021 10:51 PDT)

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Ed Jimenez, State Procurement Administrator

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

DELEGATION LEVELS	REQUIRED PRIOR TO DELEGATION
\$10,000	Required Training: <ul style="list-style-type: none"> <li>● Procurement Basics - ADPROCBASICS</li> <li>● Creating and Awarding Spot Bids - ADAPPSC310W</li> <li>● Arizona Procurement Portal Application Basics - ADAPPAB100W</li> <li>● Procurement 101</li> <li>● \$10,000 Delegation Training</li> </ul>
\$100,000	Required Training: <ul style="list-style-type: none"> <li>● Procurement Basics - ADPROCBASICS</li> <li>● Significant Procurement Role - ADSPOCP102</li> <li>● Arizona Procurement Portal Application Basics - ADAPPAB100W</li> <li>● Creating and Awarding Spot Bids - ADAPPSC310W</li> </ul>
>\$100,000	Required Training: <ul style="list-style-type: none"> <li>● Procurement Basics - ADPROCBASICS</li> <li>● Significant Procurement Role -ADSPOCP102</li> <li>● Arizona Procurement Portal Application Basics - ADAPPAB100W</li> <li>● Creating and Awarding Spot Bids - ADAPPSC310W</li> </ul>

DELEGATION LEVELS	REQUIRED WITHIN FIRST YEAR OF SIGNING DELEGATION
\$10,000	Required Training: <ul style="list-style-type: none"> <li>● Procurement 101</li> <li>● Procurement Ethics</li> <li>● Purchasing 101</li> </ul>
\$100,000	Required Training: <ul style="list-style-type: none"> <li>● Procurement 101</li> <li>● Procurement Ethics</li> <li>● Contract Administration</li> <li>● Request for Quotation</li> <li>● Exceptions</li> <li>● Protests: Law and Best Practices</li> <li>● Legal Aspects of Contracting: Developing a Better Understanding of Key Terms and Conditions</li> <li>● Negotiation Planning</li> </ul>
>\$100,000	Required Training: <ul style="list-style-type: none"> <li>● Procurement Ethics</li> <li>● Contract Administration</li> <li>● Exceptions</li> <li>● Protests: Law and Best Practices</li> <li>● Legal Aspects of Contracting: Developing a Better Understanding of Key Terms and Conditions</li> <li>● Request for Proposal (RFP)</li> <li>● Negotiation Planning</li> </ul>