

Administrative Order No. 304

February 13, 2019

I, Michael J. Dunleavy, Governor of the State of Alaska, under the authority of Article III, Sections 1 and 24, of the State of Alaska Constitution, establish Statewide Procurement Consolidation.

Background

By statute (AS 36.30), procurement is the responsibility of the Department of Administration (DOA), with the exception of certain construction-related professional services in the Department of Transportation & Public Facilities (DOT&PF). The DOA has delegated its procurement responsibilities to all agencies. Currently, there are approximately 100 non-construction procurement staff throughout state agencies; this order will provide a path for more consistency and control over procurement functions.

While the current practice of allowing agencies flexibility to purchase for their own needs has some positive aspects, this decentralized model has significant drawbacks. Because agency non-construction procurement staff report to individual agencies, negative aspects of decentralized procurement have become apparent:

- Redundancies in purchases
- Difficulty sharing and implementing best practices
- Difficulty enforcing procurement policies

Anticipated benefits from consolidating the personnel who perform the procurement functions for which DOA is statutorily responsible include: staff reductions; commodity and contractual cost savings; standardized and streamlined processes that improve efficiencies; and greater consistency and control in the exercise of procurement.

Purpose

The purpose of this order is to streamline and increase accountability of non-construction procurement activities within the Executive Branch of State government by realigning non-construction procurement staff to create solid line reporting to the DOA Commissioner or Commissioner Designee in DOA and clear managerial reporting within their respective agencies. Accordingly, this order also establishes the Office of Procurement and Property Management within the DOA.

Order

Under this realignment, and consistent with applicable statutory authority under AS 36.30 (state procurement code) procurement staff will support their assigned agency's mission, but are aligned with standard procurement practices and act as a statewide procurement team that supports each other with expertise and cross-coverage. The non-construction procurement staff are reassigned to DOA in accordance with the implementation plan referenced in the Task Force section of this order.

- Department of Commerce, Community, and Economic Development
- Department of Corrections
- Department of Education and Early Development

- Department of Environmental Conservation
- Department of Fish and Game
- Department of Health and Social Services
- Department of Labor and Workforce Development
- Department of Law (approval for procurement under AS 36.30.015(d) is not affected by this Order);
- Department of Military and Veterans Affairs
- Department of Natural Resources
- Department of Public Safety
- Department of Revenue
- Department of Transportation and Public Facilities

The Office of Procurement and Property Management will track, monitor, and report on the following indicators of success:

- Decrease in procurement cycle time
- Increase in customer satisfaction
- Increase in vendor satisfaction

Additional performance measures will be established by the DOA Commissioner and the Office of Management and Budget Management Director under the Responsibility for Implementation section of this order.

Programs and entities exempt from the procurement process under AS 36.30 are not affected by this order. Further, approval required under AS 36.30.015(d) and procurement under AS 26.20.025(c)(3) are not affected by this Order.

Responsibility for Implementation

I delegate to the DOA Commissioner and the OMB Management Director authority for the overall implementation of this order, consistent with my direction and subject to my approval. Department heads and agency staff are expected to provide their complete cooperation in effecting this reorganization.

Task Force

Effective immediately, a task force is established and delegated the authority for overall implementation of this order, subject to the Governor's final approval. The task force will be comprised of the DOA Commissioner, DOA Administrative Services Director, and the OMB Management Director. In addition, the Chief Procurement Officer, the newly-created Chair of the Alaska Procurement Officers' Group, agency procurement experts, and the State's Administrative Services Directors are available to assist and advise the task force.

Timeframes

Effective immediately, the task force will develop the non-construction procurement consolidation implementation plan and timeline, with implementation to begin in Fiscal Year 2020.

Resource Allocation

The task force is charged, in cooperation with OMB, with the responsibility for determining the appropriate allocation and transfer of personnel services, travel, contractual, equipment, space, data processing, and any budgetary resources to ensure the effective implementation of this order.

Duration

This Order takes effect immediately and remains in effect until rescinded.

Dated this 13th day of February, 2019.

/s/Michael J. Dunleavy
Governor