

OFFICE FOR PROCUREMENT SERVICES

MISSION

The 2009-10 Executive Budget recommends the establishment of a new Office for Procurement Services (OPS). The Office is charged with ensuring that the State is adhering to procurement best practices, taking full advantage of new procurement methods, and leveraging the State's purchasing power to achieve best value and price.

ORGANIZATION AND STAFFING

This new Office will be the official procurement office for the State of New York, serving all State agencies and other governmental entities as well. It will be located in Albany and will be overseen by the Chief Procurement Officer, a new Executive position established in statute. The Office will consist of 103 employees transferred from the Office of General Services' Procurement Services Group.

The Chief Procurement Officer's statutory responsibilities will include:

- Chairing the State Procurement Council;
- Ensuring that the State is undertaking purchasing consistent with best practices;
- Leveraging the purchasing volume of the State, localities, other municipal organizations and eligible non-profits to obtain the best value and price for goods and services;
- Standardizing the State's purchasing process to make certain it is both efficient and effective;
- Maximizing the use of information technology to reduce procurement processing time;
- Implementing new approaches to procurement, such as reverse auctions and rate contracts;
- Setting policies regarding the diversity of the vendor pool and state preferred sourcing goals; and
- Coordinating and/or conducting evaluations of State agency procurement activities and recommending any needed changes or improvements.

BUDGET HIGHLIGHTS

The 2009-10 Executive Budget recommends **\$7.6 million General Fund** for this new agency.

PROGRAM HIGHLIGHTS

New York annually spends billions of dollars to procure goods and services, requiring a strategic approach to procurement decision-making – one that ensures the State gets the greatest value for the best price. By consolidating and standardizing purchases to obtain lower prices, savings are achieved over time, and the cost of government permanently reduced. This approach has been used successfully by other states, the Federal government and the private sector. It emphasizes a strategic sourcing procurement model, rather than a transaction based approach, focusing on continuous improvement using measurable results.

OFFICE FOR PROCUREMENT SERVICES

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	0	7,564,000	7,564,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	0	7,564,000	7,564,000	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Administration			
General Fund	0	6	6
Procurement Services			
General Fund	0	97	97
Total	0	103	103

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	0	7,564,000	7,564,000
Total	0	7,564,000	7,564,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2008-09	Recommended 2009-10	Change
Administration			
General Fund	0	725,000	725,000
Procurement Services			
General Fund	0	6,839,000	6,839,000
Total	0	7,564,000	7,564,000

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	700,000	700,000	700,000	700,000
Procurement Services	5,937,000	5,937,000	5,937,000	5,937,000
Total	6,637,000	6,637,000	6,637,000	6,637,000

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STATE OPERATIONS - GENERAL FUND
 SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
 APPROPRIATIONS AND CHANGES
 2009-10 RECOMMENDED
 (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	25,000	25,000	15,000	15,000
Procurement Services	902,000	902,000	26,000	26,000
Total	<u>927,000</u>	<u>927,000</u>	<u>41,000</u>	<u>41,000</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	5,000	5,000	0	0
Procurement Services	45,000	45,000	783,000	783,000
Total	<u>50,000</u>	<u>50,000</u>	<u>783,000</u>	<u>783,000</u>

Program	Equipment	
	Amount	Change
Administration	5,000	5,000
Procurement Services	48,000	48,000
Total	<u>53,000</u>	<u>53,000</u>