

*Final*



## North Carolina Procurement Transformation

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Organizational Current  
State Assessment  
January 7, 2011

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- Executive Summary
- Approach and Collection Process
- Current State Organizational Structure Assessment
- Current State Job Description Assessment
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- Current State Salary Model Assessment
- Current State Training Assessment

## Executive Summary

**There are opportunities within the current procurement organization to increase collaboration and coordination to provide services to stakeholders more effectively.**

Assessment Category	Key Observations
<b>Organizational Structure</b>	Two central purchasing authorities performing similar functions under different Statutes and approaches results in <u>duplication of efforts</u> (e.g., Compliance, Training) and <u>added complexity</u> to the overall procurement function
	Purchasing professionals in P&C spend <u>significant time on tactical activities</u> (e.g., open market orders) preventing them from pursuing more strategic activities (e.g., spend analysis, new Statewide Term Contract development, vendor relationship management, market research) that drive much higher returns on investment
<b>Job Descriptions</b>	There are <u>24 different procurement-related formal job titles</u> and many additional working job titles across the entities, adding complexity to development / maintenance of job description and the employee performance management process
<b>Employee Performance Management</b>	There is <u>no robust performance management program</u> to drive consistent and effective management of employee performance. This includes a lack of a central repository to house and manage key documents (e.g., Annual Objectives, Annual Review Discussion Notes, Training Plan) resulting in significant variability in execution of the annual employee performance process.
	No limitations exist on how many of each employee performance rating can be given has resulted in over 86% of employees awarded the highest 2 ratings, which <u>minimizes the higher ratings as a method of differentiating exceptional employees</u>
	There are <u>limited mechanisms to motivate employees to deliver significant value</u> (e.g., no ability to adjust compensation based on performance, no defined career path)
<b>Salary Model</b>	Procurement <u>salary ranges are comparable to Florida, Georgia, and Massachusetts</u> salary ranges, but well below the private sector
<b>Training</b>	There is <u>no formalized procurement training curriculum</u> tied to each job description to improve overall procurement skills and increase accountability for employees and management. This includes procurement professionals and employees in the divisions / program areas in entities that are doing procurement and contract management activities.
	There is <u>no central learning management solution</u> to track training against established curriculum and to deliver learning content (e.g., computer based training, webinars) to employees to provide consistent training, help reduce travel expenses, and build a foundation for an enterprise-wide training program

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## Approach and Collection Process

The team followed a structured approach to collect information to assess the current procurement organizational structure for Executive Branch state agencies and community colleges.

November 15<sup>th</sup> - January 7<sup>th</sup>

### Assess Current State

- Conduct Kick Off Meetings
- Issue Data Requests
- Conduct Stakeholder Discussions
- Assess Current State
  - Organizational Structure
  - Job Descriptions
  - Employee Performance Management Process
  - Salary Model
  - Training

January 10<sup>th</sup> – March 11<sup>th</sup>

### Design Organization

- Conduct Procurement Guiding Principles Workshop
- Conduct Organization Design Workshop
- Design the Future State Organizational Structure

## Approach and Collection Process

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**Key activities in determining the current state include issuing a data request for current information, conducting stakeholder discussions, and collecting benchmarks from other states.**

**—Key Current State Assessment Activities—**

- Issued data requests for 38 procurement related information items - requested documented organization charts and job descriptions
- Held multiple kick-off sessions to provide background and purpose of the Procurement Transformation initiative
- Conducted 32 survey discussions with 60 key procurement stakeholders
- Conducted Accenture's Procurement Mastery Survey with 58 questions across 6 procurement dimensions
- Analyzed the targeted entities to assess current organization structures, titles, job descriptions, performance management processes, training programs, and interaction points with other stakeholders
- Collected benchmarks from other states around organization structures and compensation
- Summarized current compensation ranges based upon procurement job class titles
- Developed a master list of active statewide term contracts and IT convenience contracts, including number of vendors and FY09/10 E-Procurement PO activity to assess the scope of responsibilities across the Procurement organizations

**The following items were requested from the State to understand the current procurement organization structures.**

Item	Definition
Organization Charts	Current organization charts for procurement
Job Descriptions	Procurement job responsibilities across the agencies
	Daily tasks and responsibilities completed from the various procurement roles
Statewide Contract Spend	Vendor reported spend for FY09/10 for statewide term contracts and IT convenience contracts

# Approach and Collection Process Stakeholder Discussions

To understand and assess the current procurement environment, the team conducted 32 discussions with 60 key procurement stakeholders across 17 entities that represent over 60% of the total spend of state agencies and community colleges.

Segment	Entity Name	FY09/10 Total Spend
<b>Representative Executive Branch State Agencies</b>	Department of Corrections	\$504 million
	Department of Crime Control & Public Safety	\$118 million
	Department of Environment & Natural Resources	\$327 million
	Department of Health & Human Services	\$330 million
	Department of Transportation	\$683 million
	Wildlife Resources Commission	\$34 million
<b>Representative Community Colleges</b>	Central Piedmont Community College	\$31 million
	Guilford Community College	\$37 million
	North Carolina Community Colleges System Office	\$13 million
	Pitt Community College	\$15 million
	Wake Technical Community College	\$26 million
<b>Supporting Entities</b>	Office of Historically Underutilized Businesses (HUB)	
	Office of State Budget & Management	
	Office of State Personnel	
	Office of State Controller	
<b>Central Purchasing Authorities</b>	IT Procurement (Office of Information Technology Services)	
	Division of Purchase & Contract (Department of Administration)	

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# Current State Organizational Structure Assessment Summary

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**The current procurement organization structure lacks a high degree of collaboration and coordination to effectively and efficiently provides services to internal and external customers.**

- Two central purchasing authorities performing similar functions under different Statutes and approaches results in duplication of efforts (e.g., Compliance, Training) and added complexity to the overall procurement function
- Procurement expertise is dispersed across the procurement entities with limited levels of collaboration
- Other states have adopted a single centralized purchasing authority model, with teams that are organized by major category segments to better develop and leverage deep industry expertise
- There are significant variations in the titles of procurement roles across the entities, which hinders consistent role comparison and adoption of common job descriptions
- Only one of the nine targeted entities had a Total Spend per Procurement FTE rate more favorable than the CAPS benchmark of \$31.8 million (see slide 23)
- Eight of the nine targeted entities had a Procurement FTEs versus total FTEs percentage more favorable than the CAPS benchmark of 0.35% (see slide 23)
- The Office of Historically Underutilized Businesses (HUB) is not well integrated with the central purchasing authorities and therefore has reduced ability to achieve its objectives

# Current State Organizational Structure Assessment

## Key Observations – Central Purchasing Authorities

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**Two central purchasing authorities performing similar functions under different Statutes and approaches results in duplication of efforts (e.g., Compliance, Training) and added complexity to the overall procurement function.**

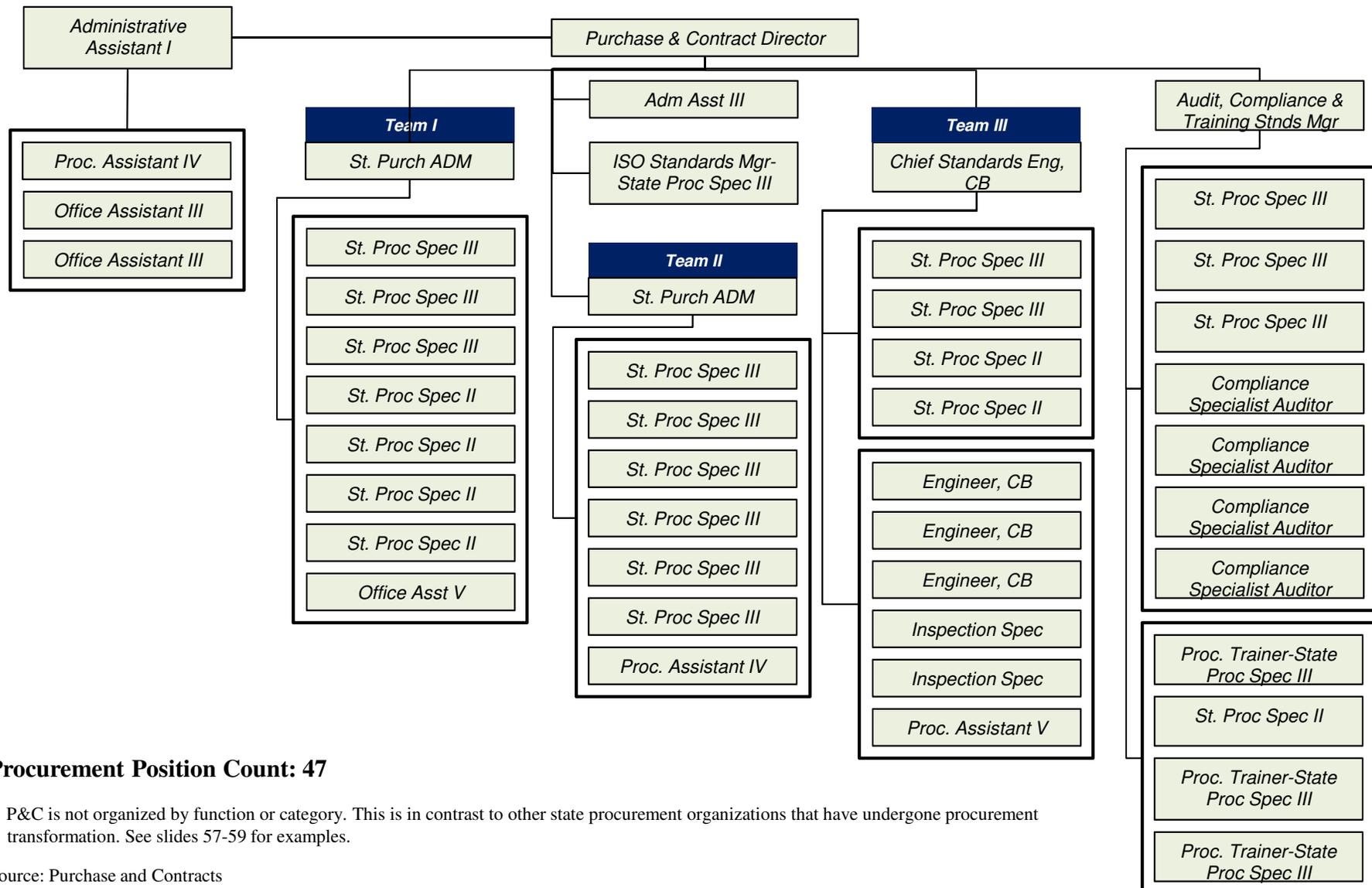
### **Purchasing and Contracts (40 positions)**

- Focused on procuring non-IT goods and services under G.S. 143
- Uses 8 different Procurement titles
- Does not have a Deputy State Purchasing Officer position to support the State Purchasing Officer
- Organized primarily by category
- Includes a dedicated team focused on Compliance and Training
- Does not have a dedicated attorney, but utilizes multiple DOA attorneys and Attorney General representatives
- Includes 3 engineer positions to develop and maintain qualified product lists and review specifications
- Has multiple inspection / customer service positions to conduct field visits to inspect specific items delivered to the State (e.g., specialized vehicles, carpet, blinds, heavy machinery, auto lifts) for quality and safety. These roles also support entity purchasing resources in conducting mandatory site visits with vendors for larger bids.

### **IT Procurement (12 positions)**

- Focused on procuring IT goods and services under G.S. 147 and G.S. 143
- Uses 6 different Procurement titles
- Includes a State Purchasing Administrator role to support the State IT Purchasing Director
- Includes position to perform compliance activities (along with other responsibilities)
- Has a dedicated Attorney General representative, that also supports other entities

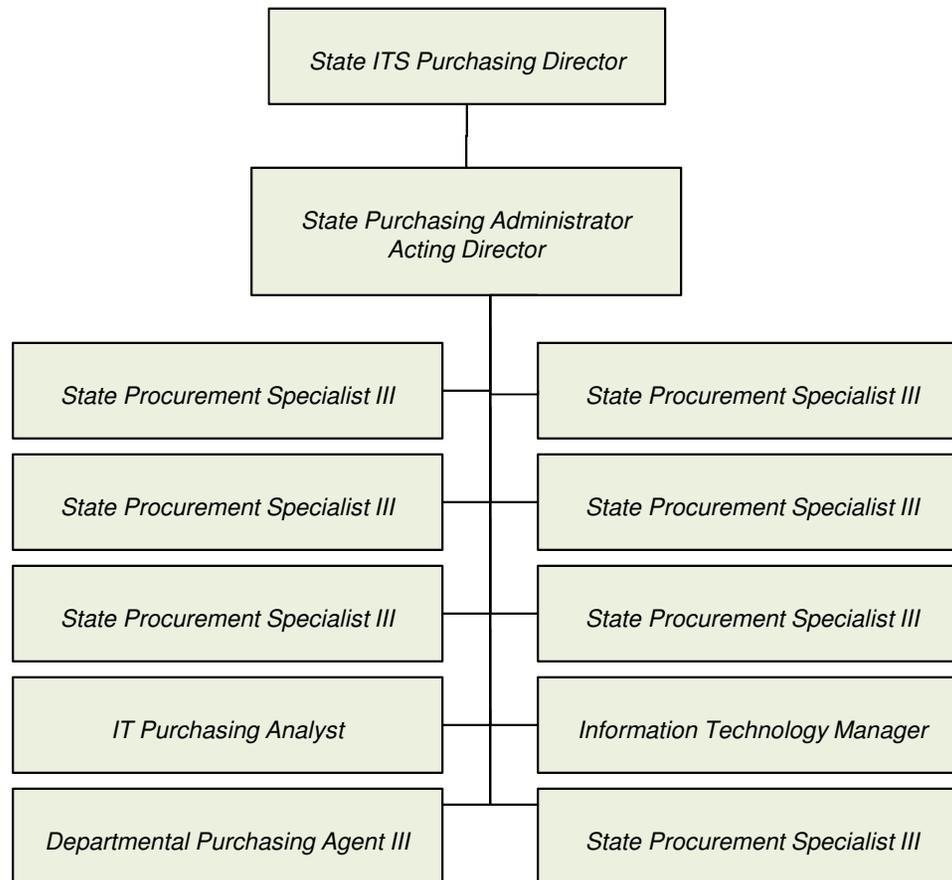
# Current State Organizational Structure Assessment Purchase and Contracts\* (DOA)



**Procurement Position Count: 47**

\* P&C is not organized by function or category. This is in contrast to other state procurement organizations that have undergone procurement transformation. See slides 57-59 for examples.

# Current State Organizational Structure Assessment IT Procurement\* (ITS)



**Procurement Position Count: 12**

\* IT Procurement is not organized by function or category. This is in contrast to other state procurement organizations that have undergone a transformation. See slides 57-59 for examples.

The central purchasing authorities collectively manage 600 vendors across 172 contracts totaling \$292 million in POs within E-Procurement in FY09/10.

Central Purchasing Team	Number of Contracts	Number of Vendors	Total FY09/10 E-Procurement POs	%TTL
<b>IT Procurement</b>	<b>21</b>	<b>86</b>	<b>\$95,358,299</b>	<b>33%</b>
<b>P&amp;C-Team 1</b>	<b>98</b>	<b>293</b>	<b>\$115,665,643</b>	<b>40%</b>
Position A	6	22	\$791,402	0%
Position B	10	49	\$3,985,081	1%
Position C	7	14	\$10,175,615	3%
Position D	38	120	\$74,034,939	25%
Position E	3	8	\$85,829	0%
Position F	29	69	\$24,706,854	8%
Position G	5	11	\$1,885,923	1%
<b>P&amp;C-Team 2</b>	<b>24</b>	<b>72</b>	<b>\$54,792,535</b>	<b>19%</b>
Position H	5	13	\$1,651,550	1%
Position I	4	7	\$10,513,821	4%
Position J	2	11	\$122,255	0%
Position K	9	24	\$40,690,333	14%
Position L	4	17	\$1,814,576	1%

Central Purchasing Team	Number of Contracts	Number of Vendors	Total FY09/10 E-Procurement POs	%TTL
<b>P&amp;C-Team 3</b>	<b>29</b>	<b>149</b>	<b>\$26,686,528</b>	<b>9%</b>
Position M	9	89	\$7,975,483	3%
Position N	7	14	\$712,858	0%
Position O	6	30	\$5,129,045	2%
Position P	6	12	\$4,324,704	1%
Position Q	1	4	\$8,544,438	3%
<b>Grand Total</b>	<b>172</b>	<b>600</b>	<b>\$292,503,004</b>	

# Current State Organizational Structure Assessment

## Analysis of Benchmarks

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**Other states have adopted a single centralized purchasing authority model\*, with teams that are organized by major category segments to better develop and leverage deep industry expertise.**

**Florida: Overall State Budget-\$67.4 billion; 38 procurement-related positions include:**

- A Chief of State Purchasing Operations to support the Purchasing Director
- Buyers segmented into 3-person team by industry (e.g., IT & Telecom, Transportation & Energy, Professional Services), with 2 Purchasing Analysts supported by 1 Purchasing Specialist
- 1 dedicated attorney supporting the central purchasing authority

**Georgia: Overall State Budget-\$30.7 billion; 65 procurement-related positions include:**

- Buyers segmented by categories (e.g., Information Technology and Infrastructure)
- A Knowledge Center to provide strategic support, manage vendor relationships, and pursue process improvements
- A Chief Learning Officer
- A dedicated Manager in charge of the Purchasing Cards program

**Massachusetts: Overall State Budget-\$40 billion; 59 procurement-related positions include:**

- A Deputy Purchasing Agent to support the State Purchasing Agent
- Buyers segmented by industry (e.g., IT, Infrastructure (Building) Support)
- A fleet manager
- A Pharmacist from industry housed in the Institutional Services team
- 2 dedicated attorneys for interpretation of laws, statutes, and the development of sourcing contracts
- A dedicated training and compliance team responsible for outreach on sourcing/compliance
- An integrated supplier diversity team
- A team focused on environment and sustainability

\*See Appendix for central purchasing authority organization charts for these three states

# Current State Organizational Structure Assessment

## Key Observations – Entity Purchasing

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**There are significant variations in the titles of procurement roles across the entities, which hinders consistent role comparison and adoption of common job descriptions.**

- Although authorized Purchasing Classification Titles exist within OSP, agencies have adopted the use of working titles which do not clearly correlate to formal OSP classifications
- The deviation from the authorized titles hinders consistent role comparisons and development of a core curriculum across Procurement organizations
- Leading practice uses consistent titles to improve cohesiveness and establish a common understanding of roles irrespective of the organization

# Current State Organizational Structure Assessment Procurement FTE Analysis\* (1 of 6)

**There are 59 distinct working titles used across the 13 targeted procurement organizations.**

	DOC	DCC	Central Piedmont	DENR	DHHS	DOT	Guilford	ITS	NCCC System Office	Pitt	P&C	Wake Technical	WRC
Executive Director			1										
Assistant Director			1										
Senior Buyer			2				2						
Buyer			3										
Chief Procurement Officer	1												
Purchasing Officer	2			1	1	1					1		1
Purchasing Officer III	2	1											
Office Services Supervisor	1												
Admin Assistant											1		
Admin. Assistant II	1				1								
Processing Assistant	3												

\*. Listed positions are within the central procurement group within each entity

# Current State Organizational Structure Assessment

## Procurement FTE Analysis\* (2 of 6)

	DOC	DCC	Central Piedmont	DENR	DHHS	DOT	Guilford	ITS	NCCC System Office	Pitt	P&C	Wake Technical	WRC
Processing Assistant III	3					1							
Processing Assistant IV	4					9							
Real Property Agent I	1												
Mgmt Services ADM.	2												
Technical Supply Analyst	1												
Purchasing Agent	2			6				1	1				1
Purchasing Agent I	2	1			1	1							
Purchasing Agent II	10	2			2	6							
Purchasing Agent III	3					6							
Purchasing Manager											2		
Purchase and Services Director				1									

\*. Listed positions are within the central procurement group within each entity

# Current State Organizational Structure Assessment

## Procurement FTE Analysis\* (3 of 6)

	DOC	DCC	Central Piedmont	DENR	DHHS	DOT	Guilford	ITS	NCCC System Office	Pitt	P&C	Wake Technical	WRC
P-Card Coordinator				1									
Chief of Purchasing				1									
Dept. Purchasing and Services Director					1								
Deputy Purchasing Officer						2							
Purchasing Assistant											2		
Procurement & Inventory Control Manager							1						
Purchasing Technician							2			2			
Purchasing Director								1		1			
Purchasing Admin.								1					
Admin Secretary						1							

\*. Listed positions are within the central procurement group within each entity

# Current State Organizational Structure Assessment

## Procurement FTE Analysis\* (4 of 6)

	DOC	DCC	Central Piedmont	DENR	DHHS	DOT	Guilford	ITS	NCCC System Office	Pitt	P&C	Wake Technical	WRC
Purchasing Analyst								1					
IT Manager								1					
Procurement Specialist											17		
Procurement Specialist III								7					
Purchasing Officer IV					1								
Assistant Manager									1				
Compliance/Training Officer											3		
Liaison											2		
Chief Standards Engineer											1		
Engineer											3		
Computer Support Technician													
Admin Assistant I					1	1							

\*. Listed positions are within the central procurement group within each entity

# Current State Organizational Structure Assessment

## Procurement FTE Analysis\* (5 of 6)

	DOC	DCC	Central Piedmont	DENR	DHHS	DOT	Guilford	ITS	NCCC System Office	Pitt	P&C	Wake Technical	WRC
Office Assistant											3		
Inspector/ Customer Service Rep											2		
Receptionist											2		
Ops Manager/ IPS Analyst											1		
Information Process Technician	1												
Assistant Business Office Manager												1	
Business Services Technician												2	
Business Services Technician II												2	
Tech Support Analyst						1							

\*. Listed positions are within the central procurement group within each entity

**Current State Organizational Structure Assessment  
Procurement FTE \* 6 of 6)**

	DOC	DCC	Central Piedmont	DENR	DHHS	DOT	Guilford	ITS	NCCC System Office	Pitt	P&C	Wake Technical	WRC
Business Officer- Journey					3								
Business Officer- Advanced					1								
Purchasing Officer II					1								
Inventory Specialist							1						
Inventory Clerk							1						
Transportation Agent						1							
<b>Total FTEs Per Entity</b>	<b>40</b>	<b>4</b>	<b>7</b>	<b>10</b>	<b>13</b>	<b>30</b>	<b>7</b>	<b>12</b>	<b>2</b>	<b>3</b>	<b>47</b>	<b>5</b>	<b>2</b>

\*. Listed positions are within the central procurement group within each entity

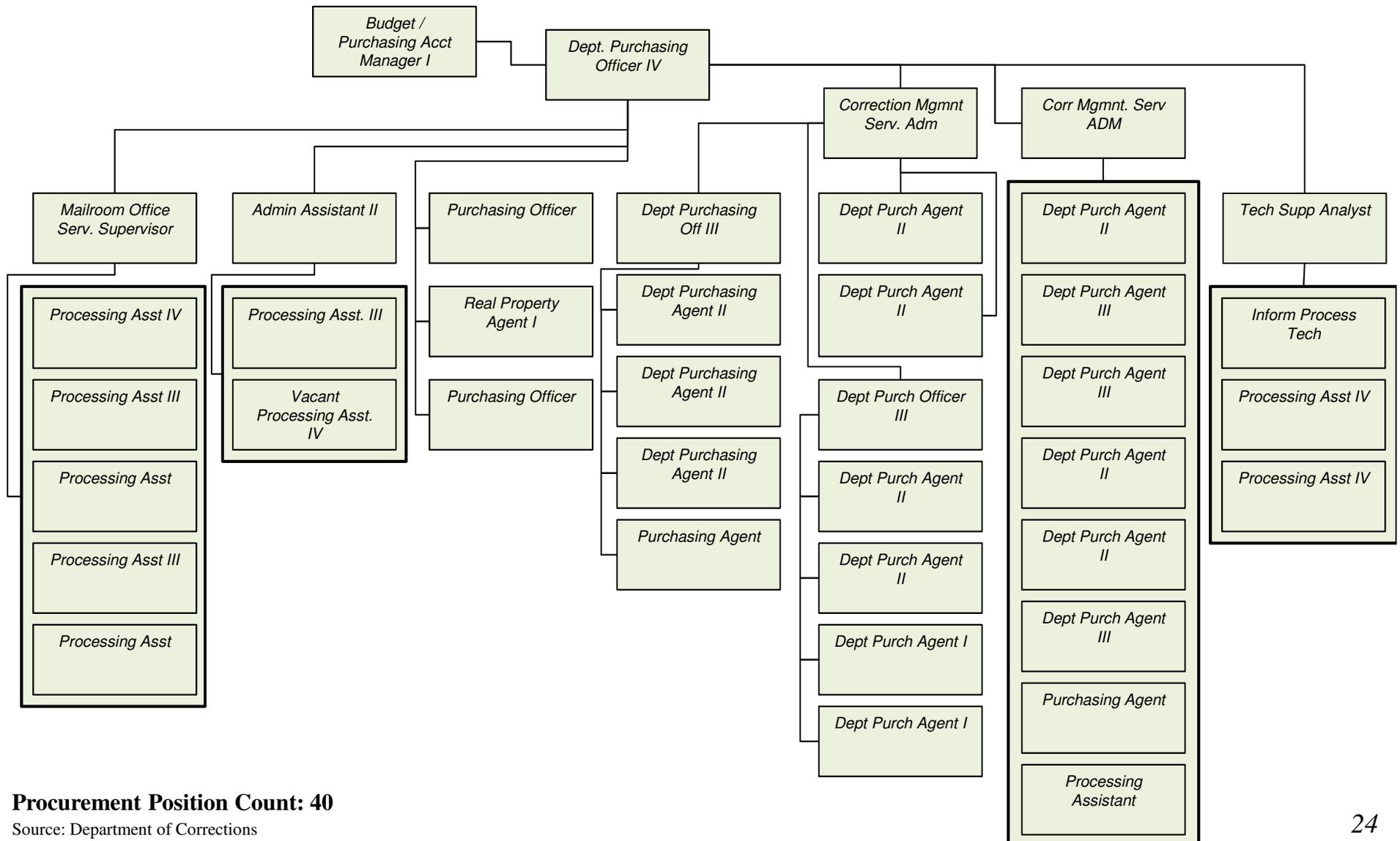
# Current State Organizational Structure Assessment

## Procurement FTE Benchmark Analysis

**Only one of the nine targeted entities had a Total Spend per Procurement FTE rate more favorable than the CAPS benchmark; eight of the nine targeted entities had a Procurement FTEs versus total FTEs percentage more favorable than the CAPS benchmark.**

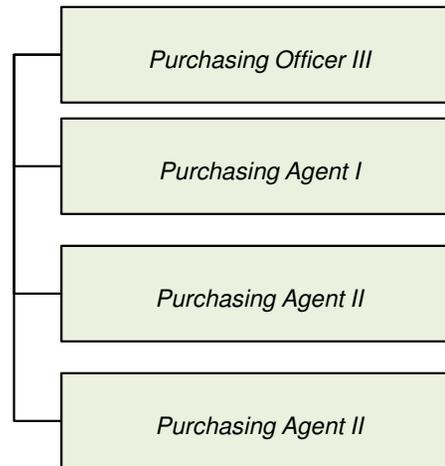
Segment	Organization	Total FY09/10 Spend (Est.)*	Total Organization FTEs	Total Procurement FTEs	FY09/10 Spend Per Procurement FTE (Est.)	Procurement FTEs % of Total FTEs	Center for Advanced Purchasing Studies (CAPS) Benchmark
State Agencies	Department of Corrections	\$504 million	21,609	40	\$13 million	.2%	<b>Average Total Spend Per FTE (Financial Services Industry):</b> \$31.8 million  <b>Procurement FTE % of Total FTEs (Financial Services Industry):</b> .35%
	Department of Crime Control and Public Safety	\$118 million	3,006	4	\$30 million	.1%	
	Department of Environment and Natural Resources	\$327 million	4,109	9.5	\$34 million	.2%	
	Department of Health and Human Services	\$330 million	20,005	45	\$7 million	.2%	
	Department of Transportation	\$683 million	14,760	30	\$23 million	.2%	
	Wildlife Resources Commission	\$34 million	684	2	\$17 million	.3%	
Community Colleges	Central Piedmont	\$31 million	-	7	\$4 million	-	
	Guilford	\$37 million	-	7	\$9 million	-	
	North Carolina Community Colleges System Office	\$13 million	236	2	\$7 million	.9%	
	Pitt	\$15 million	-	3	\$5 million	-	
	Wake Technical	\$26 million	-	5	\$5 million	-	

# Current State Organizational Structure Assessment Department of Corrections



# Current State Organizational Structure Assessment Department of Crime Control and Public Safety

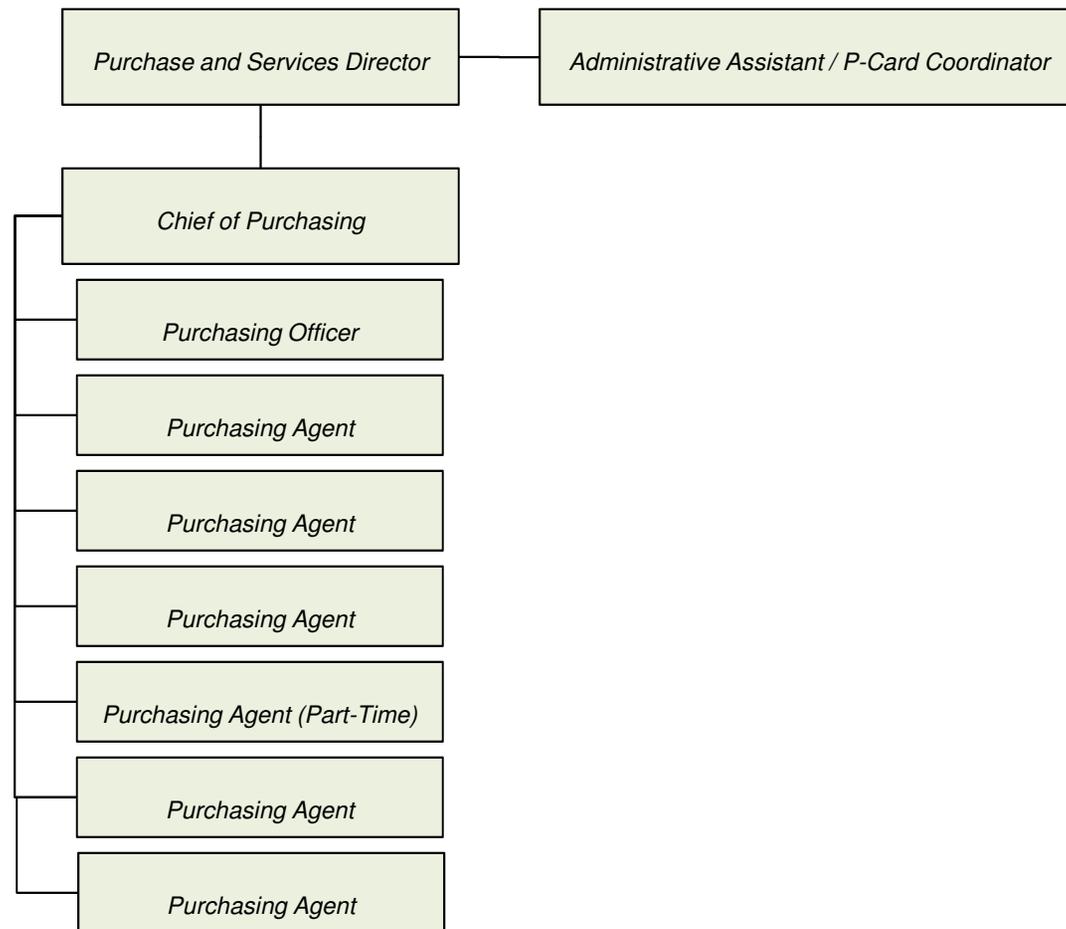
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**Procurement Position Count: 4**

Source: <http://www.nccrimecontrol.org/emp/2010CCPSOChart.pdf>

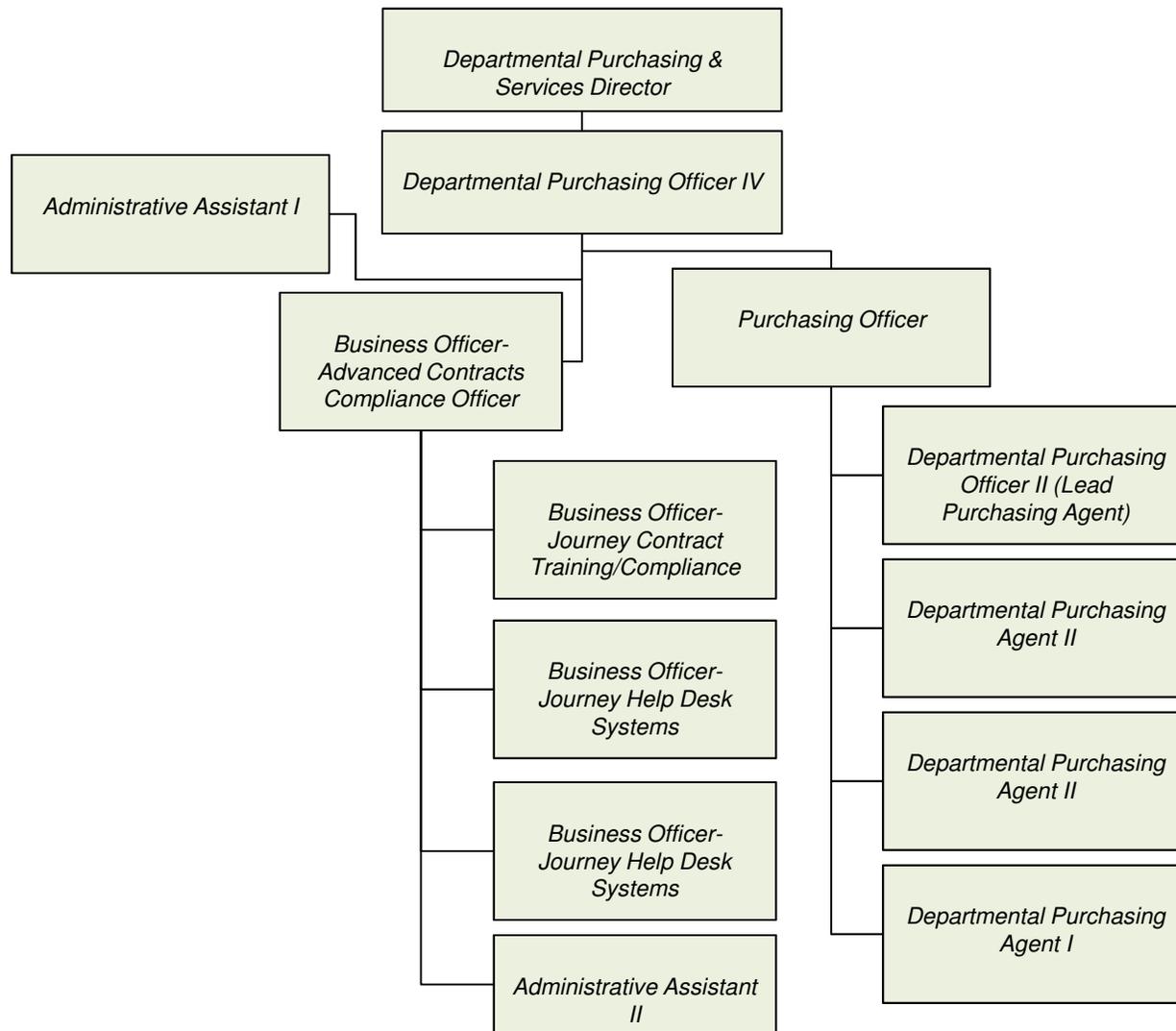
# Current State Organizational Structure Assessment Department of Environment and Natural Resources



**Procurement Position Count: 9.5**

Source: Department of Environment and Natural Resources

# Current State Organizational Structure Assessment Department of Health and Human Services



*DHHS Institutions (11)*

- 9 Managers
- 20 Purchasing Staff

*School Purchasing Offices (2)*

- 2 Employees

*State Lab Purchasing Office*

- 1 Employee

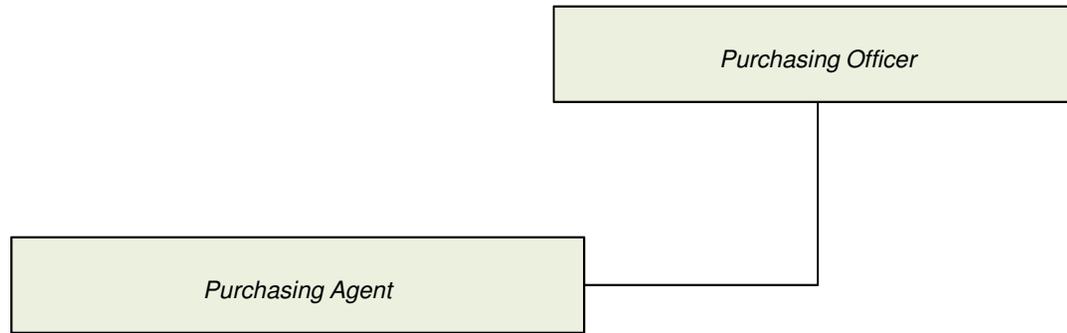
**Procurement Position Count: 45**

Source: Department of Health and Human Services



# Current State Organizational Structure Assessment Wildlife Resources Commission

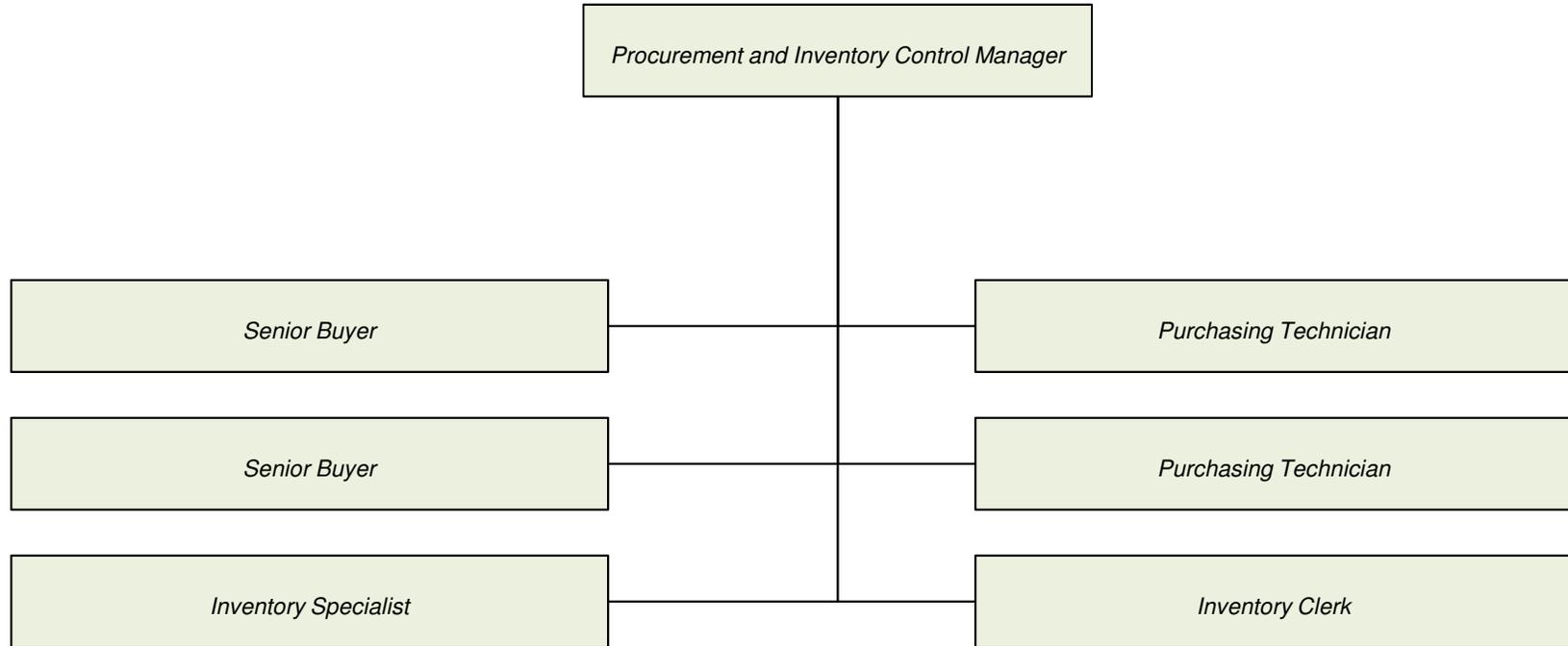
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**Procurement Position Count: 2**

Source: <https://www.nwildlife.org/Apps/EmployeeSearch/search.aspx>

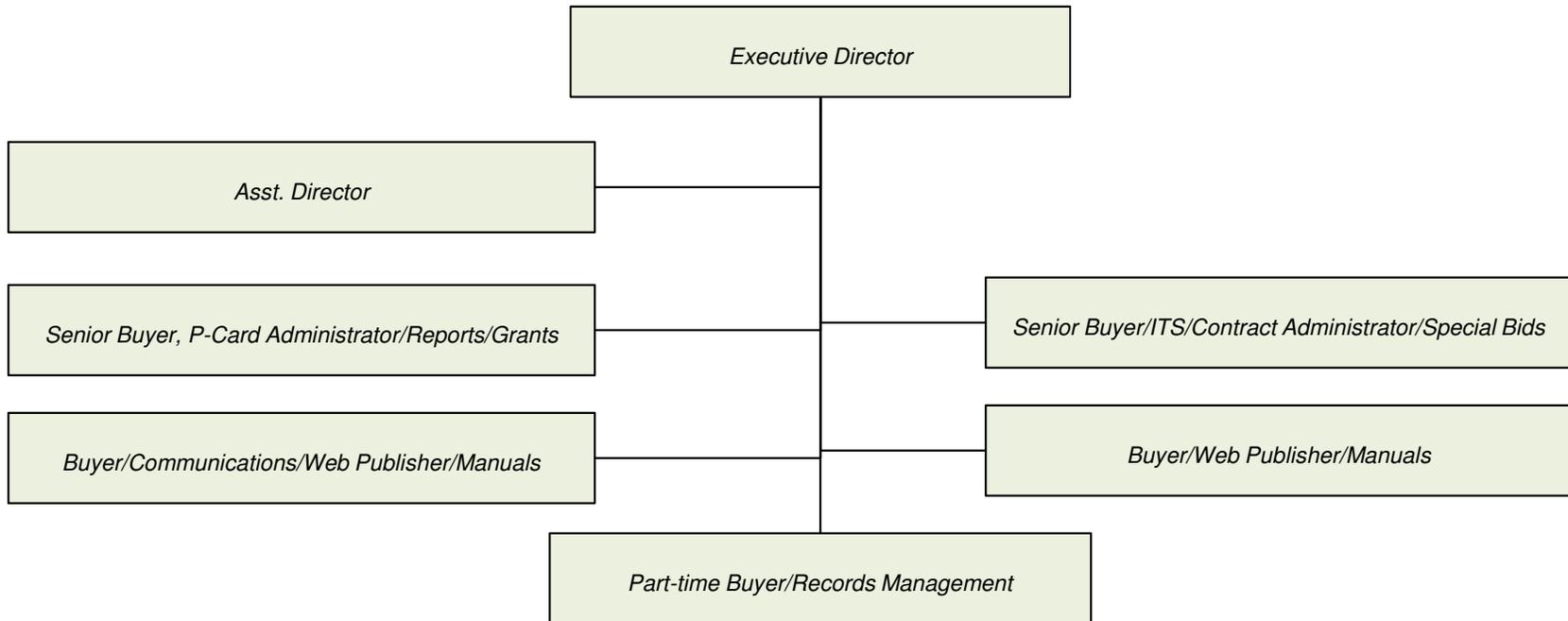
# Current State Organizational Structure Assessment Guilford Technical Community College



**Procurement Position Count: 7**

Source: Guilford Technical Community College

# Current State Organizational Structure Assessment Central Piedmont Community College

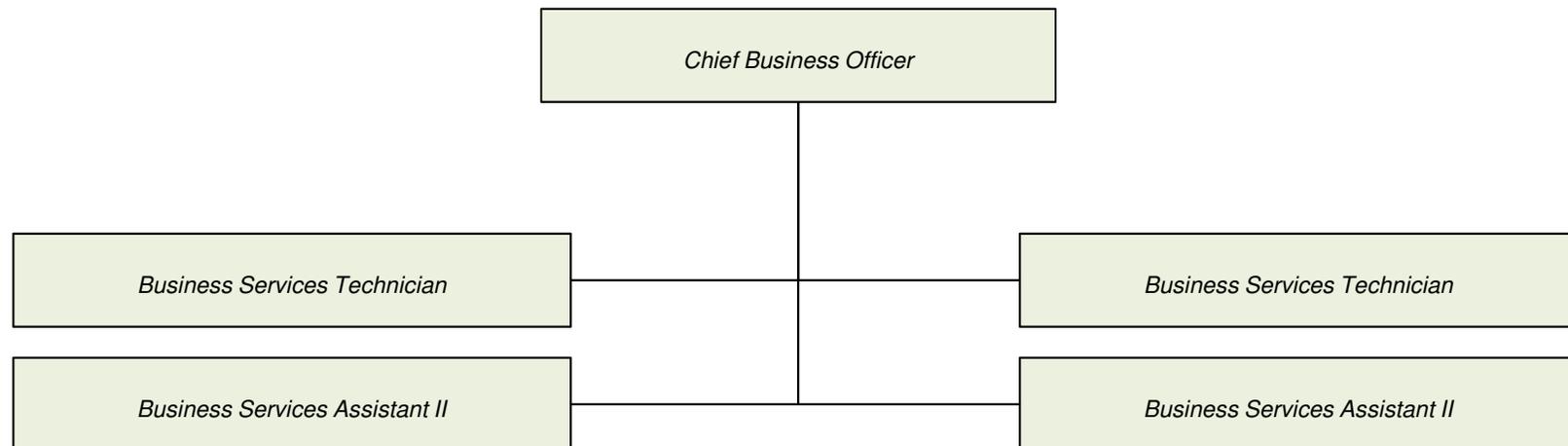


**Procurement Position Count: 7**

Source: <http://www.cpcc.edu/procurement/about-us/contact-us>

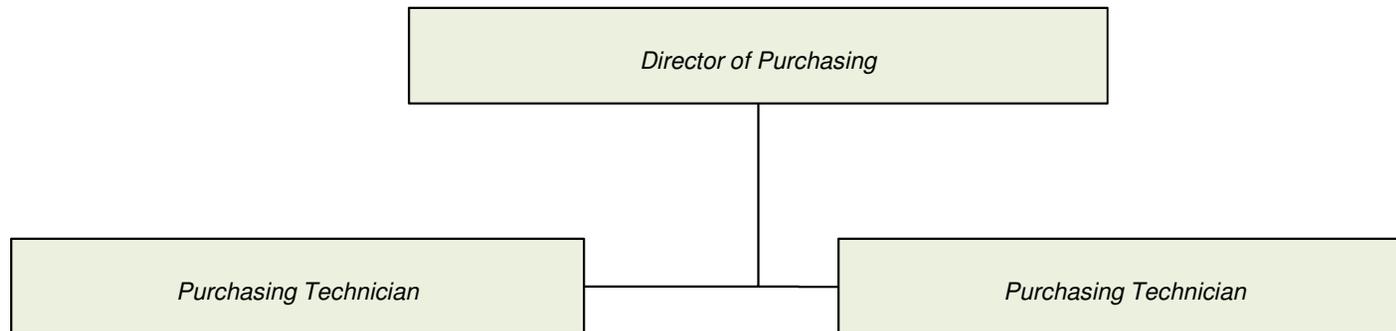
# Current State Organizational Structure Assessment Wake Technical Community College

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**Procurement Position Count: 5**

Source: <http://www2.waketech.edu/directory/deptsearch.jsp>

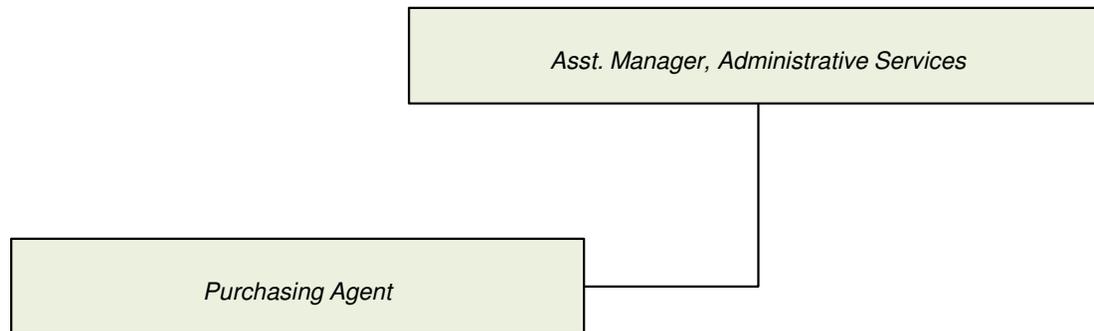


**Procurement Position Count: 3**

Source: <http://www.pittcc.edu/experience-pcc/administrative-departments/purchasing/>

# Current State Organizational Structure Assessment North Carolina Community Colleges System Office

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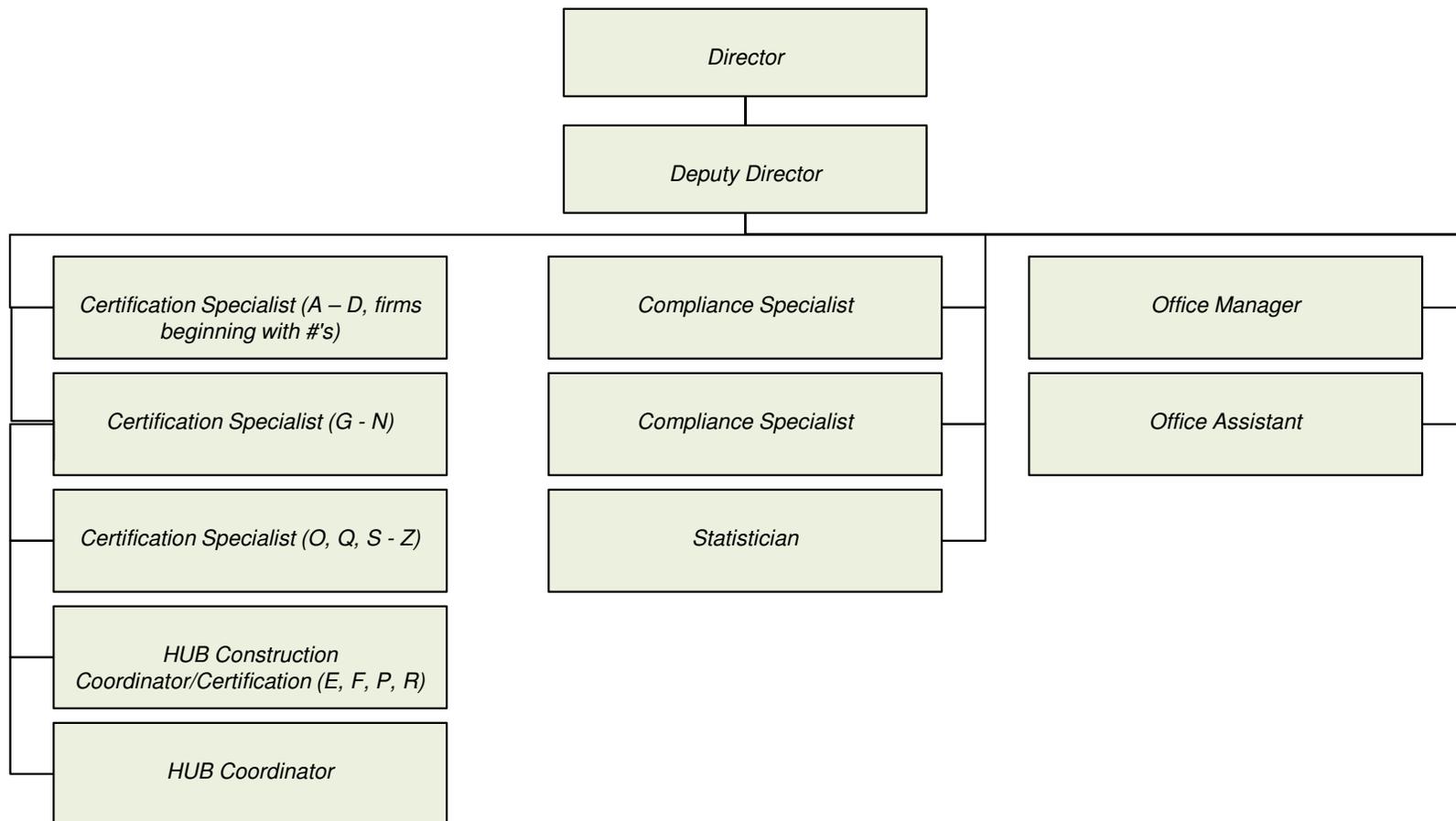


**Procurement Position Count: 2**

Source: [http://www.nccommunitycolleges.edu/Personnel/NCCCS\\_Directory.htm](http://www.nccommunitycolleges.edu/Personnel/NCCCS_Directory.htm)

# Current State Organizational Structure Assessment

## Office of Historically Underutilized Businesses (HUB)



**Position Count: 12**

Source: <http://www.doa.state.nc.us/hub/contactus.htm>

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## Current State Job Description Assessment

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**Across the targeted entities, job descriptions for procurement roles were not consistent in regards to level of detail, content, and the degree of updates.**

- Job descriptions are not developed centrally for use across entities for common roles, resulting in inconsistencies and duplication of efforts
- Observed differences include inclusion of :
  - Estimated percent of time the employee spends in each functional job element
  - Updated skills required to be successful in the position
  - Training courses specific to the position
- Inconsistencies with job description results in confusion within the organization and provides insufficient role criteria for interested internal applicants
- Job descriptions are handled as static documents and are not updated in a timely and recurring basis
- Job descriptions are not housed in a central, online repository but rather in individual supervisor filing systems

# Current State Job Description Assessment

## Example of Differences

There is opportunity to improve the consistency of job description content across similar roles within procurement.

Example 1

State of North Carolina Office of State Personnel Position Description Form PD-102R-92	Approved Certification: _____ Effective Date: _____ Analyst: _____
Present Classification Title: State Procurement Specialist III	15-Digit Position Number: _____
Working Title: Contract Specialist	Department, University or Agency: NC ITS
Requested Classification:	Institution or Division Statewide IT Procurement Office
Immediate Supervisor:	Section or Unit: _____
Supervisor's Title/Position Number: Asst. Chief IT Procurement Officer	Address (City, County): 333 Six Forks Road, Wake
Employee's Name:	Building/Room Number: Third Floor
<p><b>B. Primary Purpose of Position</b></p> <p>The primary purpose of this position is to provide agency customers with support in all aspects of the IT procurement process. This position manages one or more IT procurement projects in parallel with following the customer agency's activities related to the procurement process. The Contract Specialist collaborates proactively with customers to identify how suppliers can solve their IT business problems. To accomplish this, the Contract Specialist coordinates and leads customers in selecting the appropriate supplier through the sourcing process. The individual is capable of integrating technical, business, financial and contractual (legal terms and conditions) requirements to select suppliers and negotiate agreements that fulfill IT business functions. The Contract Specialist works in a</p>	
<p>consulting role to assist agencies with their sourcing needs, leveraging the experience of the Statewide IT Procurement Office. This position focuses on the more strategic and complex procurements (Medicaid Management Information System, Tax Information Management System, Driver's License Imaging, etc.) as opposed to the more transactional types (goods versus services).</p>	

Example 2

STATE OF NORTH CAROLINA OFFICE OF STATE PERSONNEL POSITION DESCRIPTION FORM (PD-102R-92)	Approved Classification: Effective Date: Analyst: (This Space for Personnel Dept. Use Only)
1. Present Classification Title of Position State Procurement Specialist III	7. Pres. 15 Digit Pos. No. / Prop. 15 Digit Pos. No. 4108-0202-0006-595 (60013874)
2. Usual Working Title of Position Term Contract Purchaser	8. Department, University, Commission, or Agency - Department of Administration
3. Requested Classification of Position	9. Institution & Division Purchase and Contract
4. Name of Immediate Supervisor Vacant	10. Section and Unit Purchasing Group 2
5. Supervisor's Pos. Title & No. Purchasing Manager 4108-0404-0006-709	11. Street Address, City and County .116 West Jones Street, Raleigh, Wake
	12. Location of Workplace, Bldg. and Room No. Administration Building
<p><b>II. A. DESCRIPTION OF RESPONSIBILITIES AND DUTIES:</b></p> <p>Method Used (Check One) Order of importance _____ Sequential order <input checked="" type="checkbox"/> _____ Place an asterisk (*) next to each essential function. (See instructions for complete explanation.) Please note percentage of time for each function.</p> <p><b>No. %</b></p> <ol style="list-style-type: none"> <li>(8%) Review user surveys and/or last term contract bid and certification to determine changes required, if any, in the bid solicitation for next contract. In all-new term contracts this data would need to be determined by another method. Other means to determine required changes may include pre-bid conferences, which are attended by bidders and users.</li> <li>(20%) Prepare bid solicitation document in consideration of information obtained in above manner. This may involve further consultation with users, bidders, and manufacturers, and/or staff engineers. Consideration must also be given to whether or not an existing standard specification and/or Qualified Products List should be used in conjunction with the particular bid solicitation being prepared.</li> <li>(15%) Release IFB, open bids received in response, analyze bids independently, and present appropriate recommendation for award to the Board of Award.</li> <li>(%) Prepare contract certification based on awarded bids.</li> <li>(%) Administrate contract for its duration. This involves communication with contractors and users on a frequent basis, and may include approving or rejecting price changes, resolving contract problems or unusual situations, reviewing other changes that may be requested by contractors in response to manufacturer's product modifications, and releasing user and/or bidder surveys in preparation for the next</li> </ol> <p><b>Priority and Scope</b> - Work requires involvement with a specific group of commodities and is performed for a centralized authority representing all major activities of state government with assignments involving large scale purchasing. Employees prepare invitations for bids for commodities for state contract and review and approve bid</p>	

Inconsistent content is used for job descriptions across Procurement.

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**There is no robust performance management program to drive consistent and effective management of employee performance.**

- OSP directs the overall employee performance management process for all employees of state agencies and universities and provides general guidance for workplans, mid-year, and end of year evaluations
- Current employee performance management tool holds only the final annual rating for employees and is not used to support the entire performance management process (e.g., store annual objectives, track performance discussion details, house training / development plans). This results in significant variability in execution of the annual employee performance process within and across entities
- There are no limitations on how many of each performance rating can be given has resulted in over 86% of employees awarded the highest 2 ratings, which minimizes the higher ratings as a method of differentiating exceptional employees
- There are limited additional mechanisms to motivate employees to deliver significant value (e.g., no ability to adjust compensation based on performance)
- With a lack of procurement-related quantitative metrics to effectively and objectively evaluate employees, supervisors utilize more subjective measures to assess employee performance
- Employees stated that there is not a formalized career path within procurement
- Current grievance process available to dispute performance ratings is considered arduous by supervisors and often results in rulings in favor of the employee. The result is a reluctance to provide critical feedback officially to avoid the time-consuming process of challenging and defending the ratings.

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## Current State Salary Model Assessment

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### **Procurement salaries are comparable to Florida, Georgia, and Massachusetts public sector salaries, but well below the private sector.**

- Salary ranges are established by the Office of State Personnel (OSP) for the procurement-related job titles using relevant current market indicators to gauge the appropriate level of compensation
- Comparison of North Carolina procurement salaries to comparable states such as Florida, Georgia, and Massachusetts show that compensation ranges are relatively on par for similar job titles (see slide 44)
- Comparison of North Carolina procurement salaries to 2010 ISM Salary Survey results show that procurement salaries are significantly below the private sector (see slide 45)
- There is no compensation adjustment currently for specialized skill sets within procurement, which provides limited incentives for employees to pursue certifications, training and continuing education

# Current State Salary Model Assessment NC Salary Plan for Procurement

Salary ranges are established by OSP for the procurement-related job titles.

Class Title	Salary Grade	Minimum Salary	Maximum Salary	Class Title	Salary Grade	Minimum Salary	Maximum Salary
Departmental Purchasing & Services Officer	81	\$60,964	\$101,867	Departmental Purchasing Agent I	66	\$32,796	\$51,446
State Purchase Administrator	79	\$55,724	\$92,922	Administrative Assistant II	65	\$31,622	\$49,290
Departmental Purchasing Officer IV	77	\$50,940	\$84,691	Doc Shipping/Receiving Supervisor II	65	\$31,622	\$49,290
State Procurement Specialist III	76	\$48,654	\$80,901	Purchasing Technician	64	\$30,538	\$47,233
State Procurement Specialist II	75	\$46,635	\$77,277	Administrative Assistant I	63	\$29,502	\$45,334
Transportation Agent	74	\$44,670	\$73,833	Administrative Secretary III	62	\$28,484	\$43,576
Departmental Purchasing Agent III	73	\$42,833	\$70,500	Doc Shipping/Receiving Supervisor I	62	\$28,484	\$43,576
Departmental Purchasing Officer III	73	\$42,833	\$70,500	Office Assistant V	61	\$27,544	\$41,919
State Procurement Specialist I	72	\$41,173	\$67,369	Administrative Secretary III	60	\$26,584	\$40,305
Departmental Purchasing Officer II	71	\$39,649	\$64,431	Office Assistant IV	59	\$25,705	\$38,759
Purchase And Contract Inspection Spec	70	\$38,174	\$61,632	Administrative Secretary I	58	\$24,861	\$37,336
Departmental Purchasing Agent II	69	\$36,685	\$58,897	Office Assistant III	57	\$24,092	\$35,980
Departmental Purchasing Officer I	69	\$36,685	\$58,897	Mail Clerk II	56	\$23,338	\$34,657
Doc Shipping/Receiving Supervisor III	68	\$35,337	\$56,330	Office Assistant II	54	\$22,915	\$32,299
Administrative Assistant III	67	\$34,065	\$53,814	Mail Clerk I	54	\$22,915	\$32,299
				Purchasing Manager	-	\$45,387	\$109,055
				Engineer	-	\$41,532	\$108,999
				Purchasing Specialist	-	\$30,372	\$75,500

# Current State Salary Model Assessment

## Salary Benchmarks

North Carolina procurement salary ranges are comparable to salary ranges from other states for similar job titles.

	North Carolina	Florida	Georgia	Massachusetts
<b>Title 1</b>	<b>Purchasing &amp; Services Officer</b>	<b>Director</b>	<b>Director</b>	<b>Director</b>
	\$60,964-\$101,867	\$97,531	\$115,716	\$52,700-\$121,596
<b>Title 2</b>	<b>Purchasing Administrator</b>	<b>Bureau Chief</b>	-	-
	\$55,724-\$92,922	\$60,008-\$71,900	-	-
<b>Title 3</b>	<b>Purchasing Manager</b>	<b>Manager</b>	<b>Category Manager</b>	<b>Manager</b>
	\$45,387-\$109,055	\$43,000-\$65,682	\$48,467-\$101,100	\$60,722-\$140,596
<b>Title 4</b>	<b>Procurement Specialist</b>	<b>Purchasing Analyst</b>		<b>Purchasing Agent</b>
	\$41,173-\$80,901	\$34,000-\$66,928	-	\$48,478-\$111,488
<b>Title 5</b>	<b>Purchasing Technician / Departmental Purchasing Agent</b>	<b>Purchasing Specialist</b>	<b>Sourcing Specialist</b>	<b>Contract Specialist</b>
	\$32,796-\$70,500	\$36,018-\$41,000	\$33,215-\$39,410	\$36,281-\$59,283

Sources:

Florida Salaries <http://www.wtsp.com/news/local/story.aspx?storyid=106331>

Georgia Salaries [http://doas.ga.gov/\\_layouts/1033/DOASPublishingSiteImages/Common/left-navigation-bottom-bg.png](http://doas.ga.gov/_layouts/1033/DOASPublishingSiteImages/Common/left-navigation-bottom-bg.png)

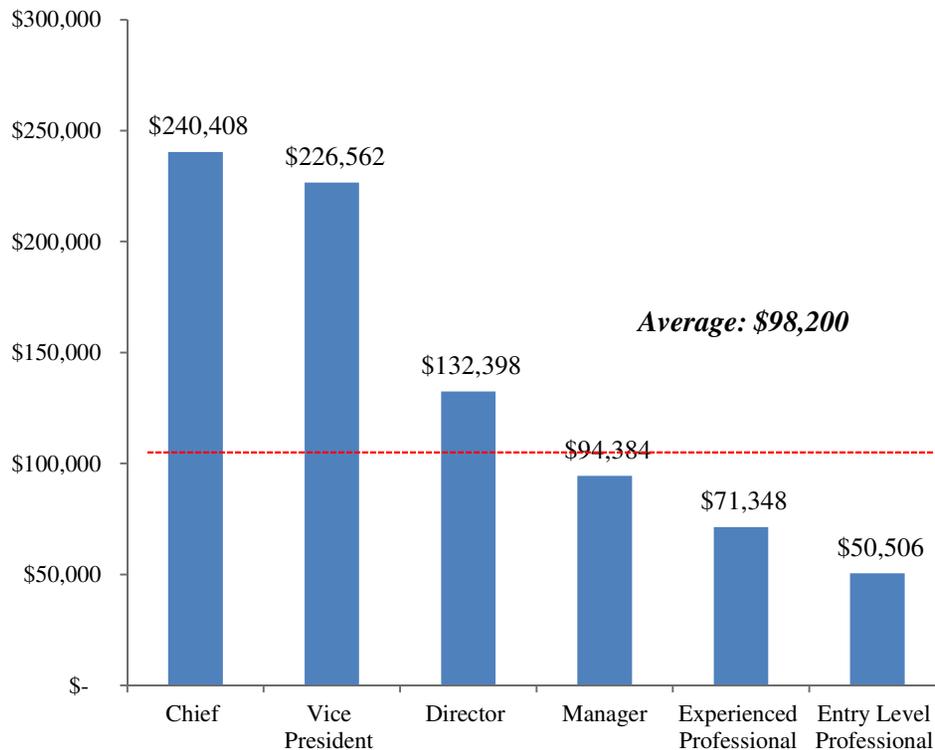
Massachusetts Salaries [http://www.bostonherald.com/projects/payroll/massachusetts/last\\_name.ASC/OSD//1/](http://www.bostonherald.com/projects/payroll/massachusetts/last_name.ASC/OSD//1/)

# Current State Salary Model Assessment

## Salary Benchmarks

**Based upon a comparison with a 2010 ISM Salary Survey, North Carolina procurement salaries are significantly below the private sector.**

—Average Salary By Position—



—Average Salary By Years of Work Experience—



\*Source: ISM-Institute of Supply Management

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## Current State Training Assessment Summary

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### **There are significant opportunities to increase the level of training for employees performing procurement activities to drive increased effectiveness and value.**

- Entities do not have a dedicated budget line item for procurement training and have to “pull” funds from other areas to support limited training efforts
- There is no formalized procurement training curriculum tied to each job description to improve overall procurement skills and increase accountability for employees and management. This includes procurement professionals and employees in the divisions / program areas in entities that are doing procurement and contract management activities.
- There is no central learning management solution to track training against established curriculum and to deliver learning content (e.g., computer based training, webinars) to employees to provide consistent training, help reduce travel expenses, and build a foundation for an enterprise-wide training program.
- There are basic training opportunities via internal courses and job aids from multiple sources (e.g., P&C, IT Procurement, OSP, community colleges) and external resources (slides 49 – 53)
- Key requirement for future training development is that content is relevant to the specific needs of the State
- In response to Senate Bill 1213, DOA and OSP are partnering with the UNC School of Government to address need for deeper contract monitoring skills, including the development of a Contracting Specialist certificate program specific to the state of North Carolina.
- Analysis of training programs in other states such as Georgia show a dedicated training organization led by a Chief Learning Officer that is focused on educating employees on procurement-related subjects

**Although North Carolina Procurement professionals have access to training opportunities and job aids via internal courses and external resources, areas for new or expanded training were identified.**

- Contract development, management, monitoring/auditing, renewals/rebidding
- NC procurement-related Statute, Administrative Codes and Executive Orders, and policies
- Negotiation skills
- Vendor management
- Market research
- Spend analysis
- Industry expertise (e.g., IT hardware/software)
- Supervising and employee performance management

**P&C provides 11 internal training courses regarding Procurement-specific competencies, but there is no formal training curriculum established by role.**

**—Purchasing Training Courses—**

- Basic Purchasing 101
- Contracting for Services
- Evaluating Bids and Proposals
- Writing Specifications
- Pre-Bid Conferences, Site Visits and Inspections
- Basic IPS User Training
- Navigating IPS, Vendor Link NC, and Commodity Codes
- Procurement Card Basics
- Media 101 for Purchasing Officials
- Sustainability in Public Procurement
- The Compliance Review Process

## Current State Training Assessment P&C Instructor-Led Monthly Training

**There are 3 instructor-led courses offered monthly by P&C; state agency and community college employees made up the majority of the attendees in 2010.**

Course Title	Course Type	Total Attendee Count	% State Agency Attendees	% Community College Attendees	% Other Attendees
<b>Basic E-Procurement User Training</b>	Instructor-led	126	74%	4%	22%
<b>Basic Purchasing 101</b>	Instructor-led	94	63%	5%	32%
<b>E-Quote User Training</b>	Instructor-led	83	58%	6%	36%

**There are 50 E-Procurement-related job aids\* provided by P&C ranging in topics from executing specific system functions to more general system overviews for various targeted audiences.**

**—E-Procurement-Related Job Aids—**

- |                                 |   |
|---------------------------------|---|
| • E-Procurement Overview        | • Receiving a Line Item                               |
| • System Searches               | • SAS Job Aid - Exporting a Detail Report             |
| • Delegating Approval Authority | • SAS Job Aid - Saving and Exporting a Summary Report |
| • eRequisition Catalog Item     | • SAS Training Guide - Ad-Hoc Reporting Overview      |
| • Withdrawing eRequisitions     | • Standard Reports                                    |
| • Approving an eRequisition     | • Returning an eRequisition                           |

\* See Appendix for complete listing of E-Procurement-related job aids

Source: <http://eprocurement.nc.gov/Training.html>

## Current State Training Assessment IT Procurement Instructor-Led Quarterly Training

**There are 3 instructor-led courses offered quarterly by IT Procurement; state agency and community college employees made up the vast majority of the attendees in 2010.**

Course Title	Course Type	Total Attendee Count	% State Agency Attendees	% Community College Attendees	% Other Attendees
<b>Introduction to IT Procurement</b>	Instructor-led	43	81%	19%	0%
<b>IT Procurement Rules Review and Discussion</b>	Instructor-led	14	29%	57%	14%
<b>The RFP Process</b>	Instructor-led	10	40%	60%	0%

## Current State Training Assessment NIGP Training and Certification Programs

**The National Institute of Governmental Purchasing (NIGP) is an external training resource that provides procurement professionals access to procurement-specific courses and the opportunity to gain certifications.**

### —NIGP Training Examples—

- Adding Value to the Procurement Process
- Contracting for Construction Services
- Contracting for Public Sector Services
- Effective Contract Writing
- Effective Management of Construction Contracts
- Developing and Managing RFP's
- Get what you need through Successful Negotiations
- Alternative Dispute Resolution
- How to Process and Evaluate Bids
- Protest and Disputes: What's a Buyer to do?
- The Key to Success in Public Procurement
- Legal Aspects of Public Purchasing

**\*NIGP has offered in the past to develop North Carolina specific content for a baseline curriculum**

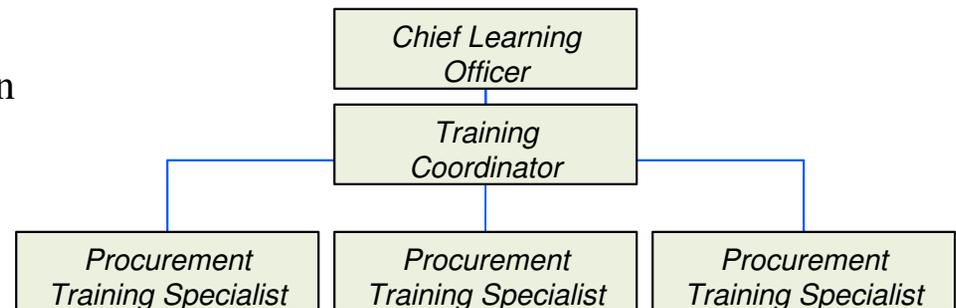
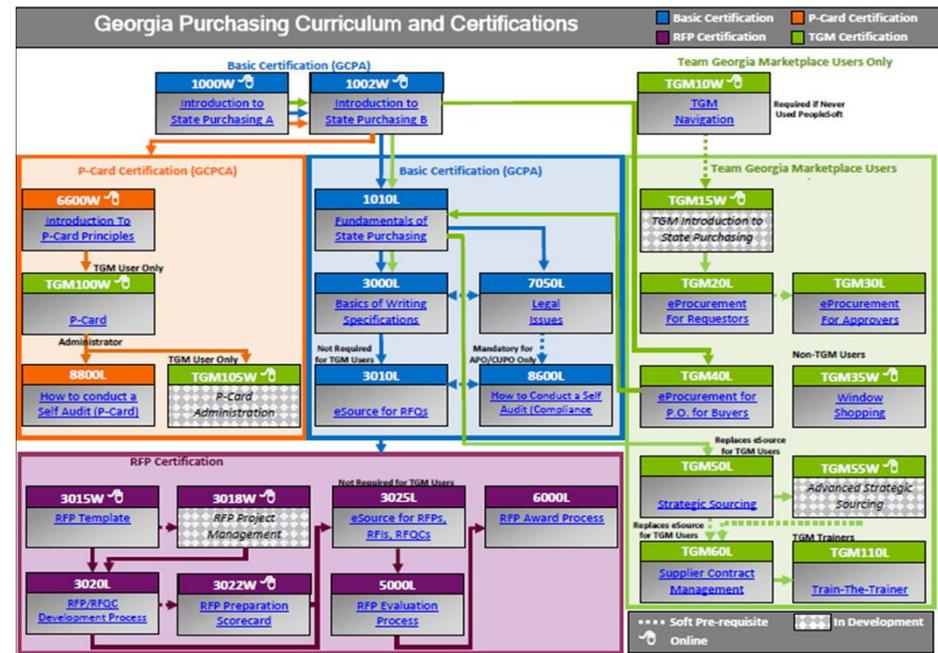
# Final

## Current State Training Assessment Benchmark-Georgia Training Program

States such as Georgia have moved towards professionalizing their workforce through certifications and professional affiliations with external organizations like NIGP.

Georgia's central purchasing authority has a strong focus on professional development of procurement resources:

- A Professional Development Business Unit devoted entirely to providing training and certification programs to State procurement professionals regarding procurement tools, techniques, regulations, and processes designed to support the purchasing activities of the State of Georgia.
- Formal training curriculum specific to roles
- A Learning Management System (LMS) to review class schedules, register for/cancel from training courses, complete courses/tests online, and obtain reports on training progress
- Access to recorded webinars



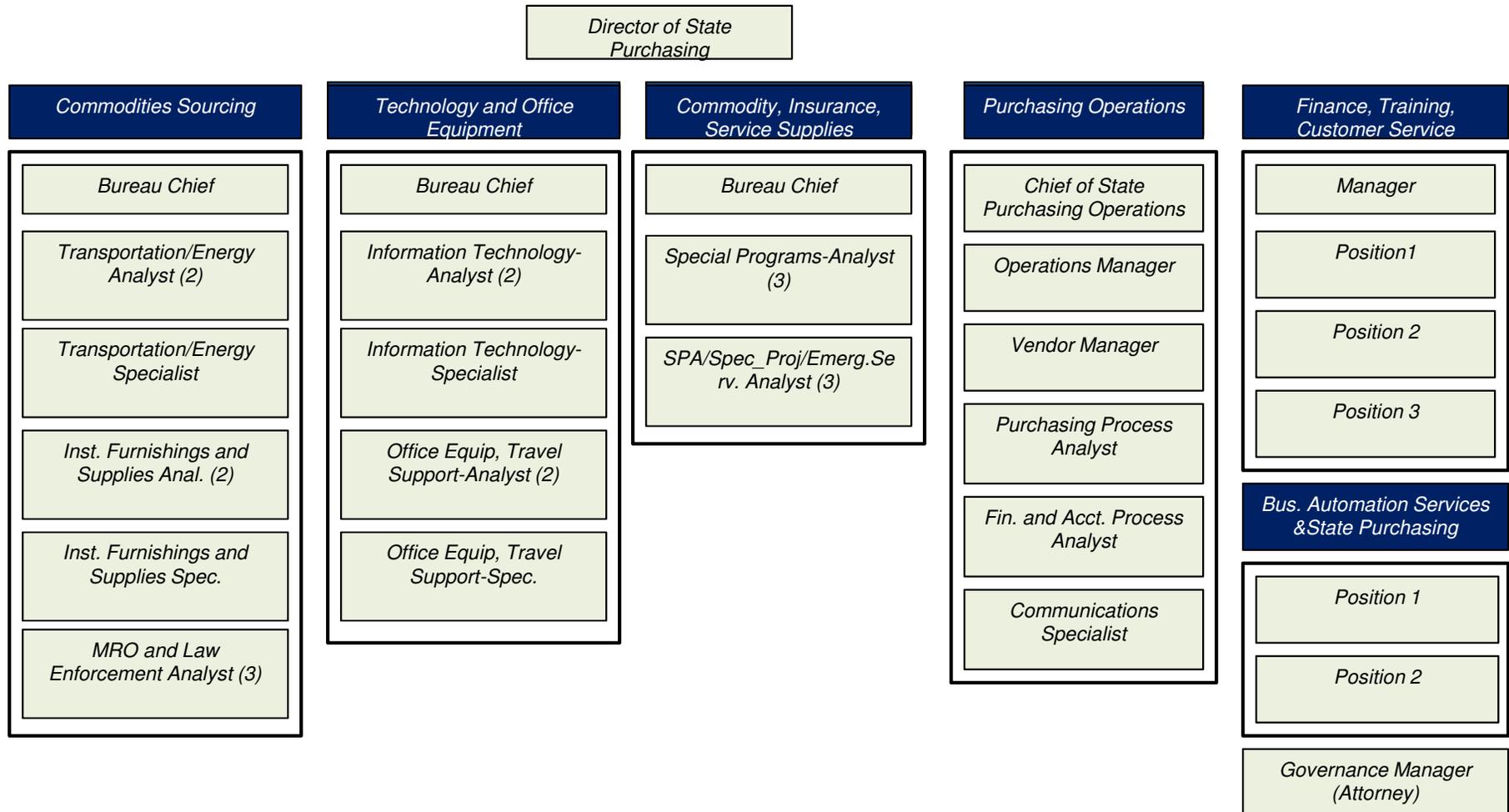


## Appendix Materials

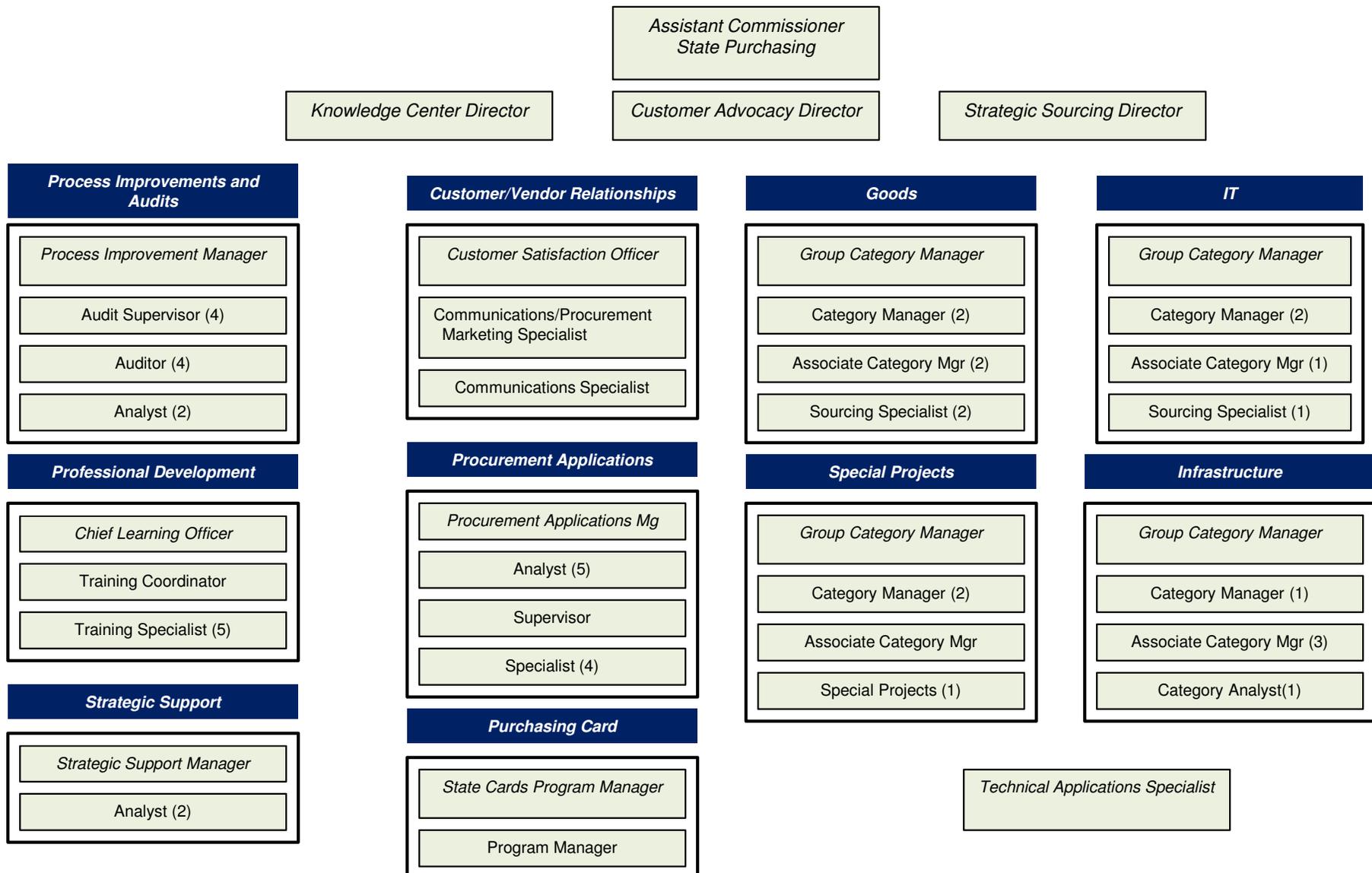
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- Additional State Procurement Organization Examples
- Expanded Training Course and Job Aid Offerings

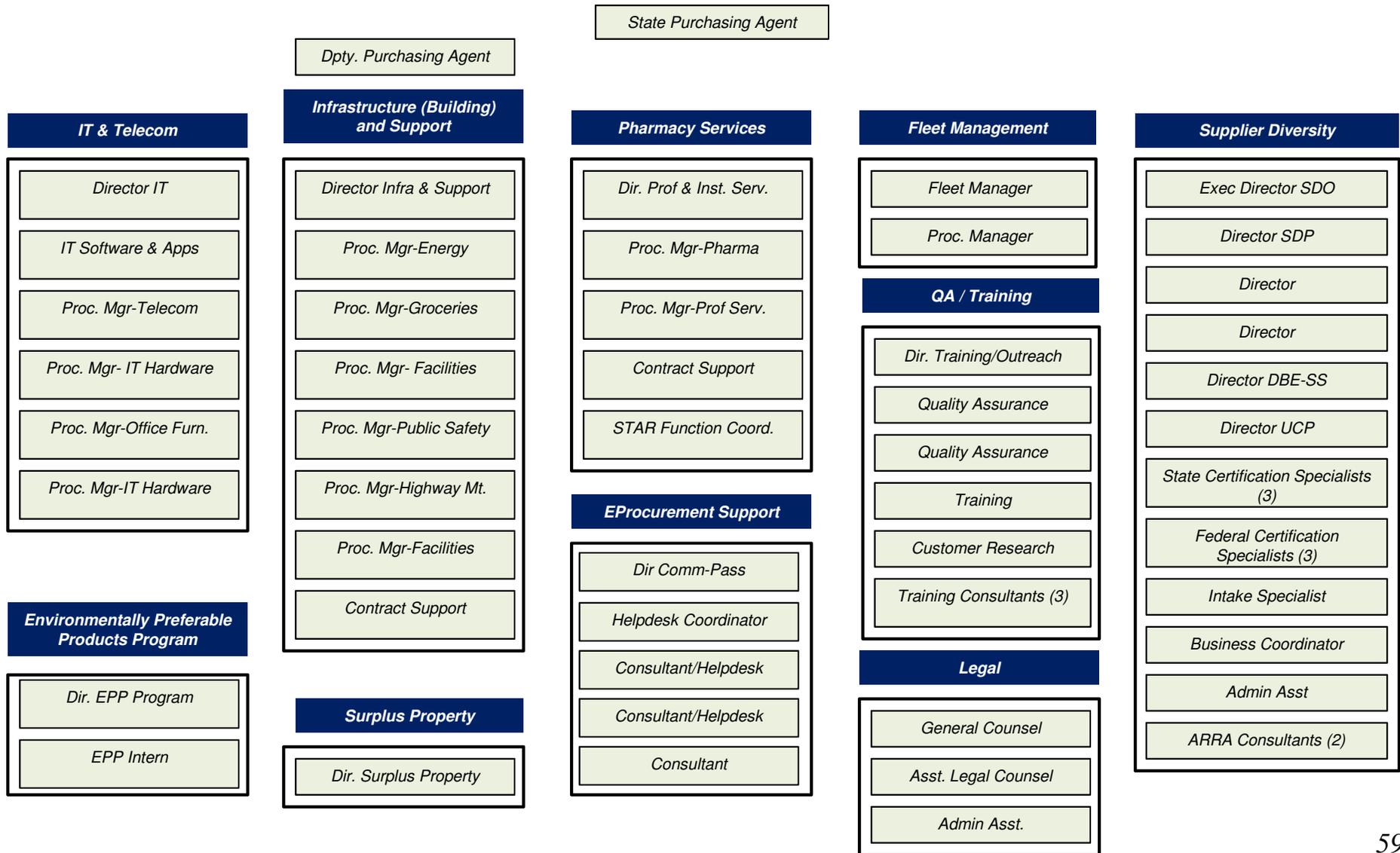
# Florida Central Procurement Organization



# Georgia Central Procurement Organization



# Massachusetts Central Procurement Organization



## E-Procurement Job Aids

**P&C provides 50 E-Procurement-related job aids ranging in topics from executing specific system functions to more general system overviews for various targeted audiences.**

North Carolina E-Procurement Job Aids			
E-Procurement Overview	Integration/Change Orders	SAS Job Aid (7 courses)*	SunPac Enhancements
System Searches	Approval Flows	SAS Training Guide (2 courses)*	ISIS Enhancements
Personal Folders	Approving and eRequisition	Standard Reports	Colleague Enhancements
Personal Profile	Returning and eRequisition	User Maintenance	EP for Non-Integrated Agencies
Delegating Approval Authority	Editing an eRequisition as an Approver	Address Maintenance	
eRequisition Catalog Item	Receiving a Line Item	Resetting User Passwords	
eRequisition Non-Catalog Item	NC OpenBook-NCHAS	Financial Controls	
eRequisition Punchout Item	NC OpenBook-DHHS	Mapping Functions (6 courses)*	
Withdrawing eRequisitions	NC OpenBook-State Ports Authority & Office of the Governor	Entity Client Overview (4 courses)*	
Editing a Line Item (2 courses)*	NCEP HUB Quarterly Purchasing Report	Moving Entity Client	

## NIGP Training and Certification Programs

**The National Institute of Governmental Purchasing (NIGP) provides procurement professionals access to a wide range of procurement-specific courses.**

NIGP Training Job Aids				
Adding Value to the Procurement Process	Certified Public Purchasing Officer (CPPO) Online Prep Course	Get what you need through Successful Negotiations	Online Courses - Unit Cost Analysis	Risk Management in Public Procurement
Alternative Dispute Resolution*	CPPO Prep	Introduction to Public Procurement	Performance Based Request for Proposals	Sourcing in the Public Sector
Capital Acquisitions*	Customer Service: The Key to Success in Public Procurement	Legal Aspects of Public Purchasing	Planning, Scheduling and Requirement Analysis	Warehousing and Inventory Control
Change Management for Procurement Professionals	Developing and Managing RFP's	Logistics and Transportation*	Presentation Skills for Procurement Officials	World Class Procurement Practices
Contract Administration	Effective Contract Writing	Managing Your End -Users And Suppliers: It's All About Relationships	Principles and Techniques of Problem Solving	
Contracting for Construction Services	Effective Management of Construction Contracts	Marketing 101 for the Procurement Professional	Procurement Under Federal Programs and Grants	
Contracting for Public Sector Services	Ethics: A Survival Kit for Public Procurement	Online Courses - How to Process and Evaluate Bids	Project Management for Workgroups	
Certified Professional Public Buyer (CPPB) Online Prep Course	Fundamentals of Leadership and Management	Online Courses - Specification Writing	Protest and Disputes: What's a Buyer to do?	
CPPB Prep	Certified Public Purchasing Officer (CPPO) Online Prep Course	Get what you need through Successful Negotiations**	Region II NIGP Annual Conference	