

State Use Program Interim Study



OKLAHOMA

State Use Program

OMES Role

- Administrative
- Budget
- Contract management
- Training
- Outreach
- Mediation

State Use Committee Role

- Approve new items
- Approve pricing – new items and fair market value changes
- Add/remove suppliers from State Use program
- Program rules
- Procurement schedule

Eight-Member State Use Program Committee

Seven Voting Members



One Non-Voting Member



Committee meets first Wednesday of every other month.

Fair market pricing

- Fair market value established through uniform process and approved by committee to assure agencies receive competitive pricing.
- State Use Committee votes to accept or reject pricing, thereby establishing contract price to be honored until vendor requests change in price or availability.
- Exception request can be submitted to OMES if agency finds more advantageous price or mandatory product doesn't meet needs.

Fair Market Flow

State Use supplier requests product/service and price to be added to contract.

OMES verifies product/service and open market price on requested product/service.

OMES provides finding to State Use Committee.

Committee reviews and votes on request.

YES VOTE
Product/service added to contract until supplier removes it.

State agencies must buy off this contract or request an exception.

NO VOTE
Product/service not added to contract.

State Use contract terms

- Agencies required to purchase items unless granted written exception.
- Terms and conditions contract, not deliverables contract.
- Price may be adjusted upon review of FMV.
- Recommended suppliers review contracts every two years.

State Use challenges

- No deliverables in contract – terms and conditions contract only. Service level agreements are needed.
- OMES restricted from looking outside program for products/services in best interest of state.
- Conflicting interpretation of OMES role vs. State Use Committee role.
- Mandatory status of State Use items.

Suggestions

- Explore a public/private partnership.
- Eliminate mandatory State Use contracts and have State Use suppliers bid on items and give a significant preference on solicitation evaluations.
- Ensure State Use supplier contracts have SLA aspects.
- Allow OMES the authority to rebid State Use contracts.
- Commission an independent study to see what best practices are in other states.
- Modify the State Use Committee to an advisory role vs. a decision-making role.
- Explore the State Use Committee make-up to eliminate potential conflicts of interest.