



Without a Comprehensive Compliance Function, DAS Cannot Effectively Monitor High-Risk Contracts or Mitigate Contracting Risks

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Why this audit matters

- State agencies routinely procure and contract for critical goods and services
- Contracting comes with inherent risks and requires oversight
- DAS has primary authority over most state purchasing and contracting
- DAS adopted OregonBuys to modernize procurement and capture state spending



Objectives & scope

1. Identify further steps the Department of Administrative Services (DAS) can take to enhance statewide adherence to the Public Contracting Code and support effective contract management.
2. Determine whether DAS is taking appropriate steps to fully implement a statewide eProcurement system that meets the goals outlined in the 2018 legislative session.

The scope of this audit covers DAS State Procurement Services' controls framework for public contracting (including compliance and monitoring) and customer service delivery.

It also covers progress made by DAS and partnering agencies to meet the intent of OregonBuys, as shared with the Legislature in 2018.

It **does not include a review of specific contracts**, agencies exempt from DAS procurement authority, vendors, or grant agreements.

What we found

DAS must work to enhance statewide contract compliance monitoring, improve service delivery, and maximize the functionality of the OregonBuys eProcurement system.

1

Oregon lacks a **comprehensive, centralized** procurement and contracting **compliance program.**

2

DAS needs to **improve customer service** in its State Procurement Services program.

3

OregonBuys performs most of its intended functions **but does not capture all state spend.**

Contracting compliance

1

DAS has the authority to perform contract compliance reviews, but rarely does

2

Oregon does not have a comprehensive, centralized contracting compliance program

3

Agency contracting issues may not be identified or addressed before something goes wrong

DAS customer service

- DAS does not provide consistent, high-quality customer service to agency partners.
- Agencies noted **poor program delivery, outdated materials, and slow communication.**
- DAS must resolve these concerns and set **high standards of accountability** around state procurement.

OregonBuys and state spend

1

OregonBuys performs most of its intended functions.

2

OregonBuys **does not capture all state spend**, limiting its ability to support strategic sourcing.

3

OregonBuys has **persistent operational challenges** and does not support all aspects of contract management.

Recommendations	Target Completion Date (as of report issuance)
<p>1. Coordinate with the Legislature and key partnering agencies to create a centralized statewide procurement and contracting compliance program informed by a robust risk analysis. DAS and its partners should consider compliance functions that include:</p> <ul style="list-style-type: none"> a. Reviewing a sample of agency contracts on a routine schedule to promote and confirm timeliness, adherence to contract stipulations, and compliance with the Public Contracting Code. b. Reviewing a sample of procurements on a routine schedule to confirm compliance with the Public Contracting Code. c. Reviewing agency contract compliance policies, procedures, and practices, and providing direct feedback for improvement based on existing statute, administrative rules, and best practices. d. Evaluating common issues identified during compliance reviews for inclusion in DAS training priorities and guidance development as well as delegation decisions that fall under DAS authority. 	<p>June 30, 2027</p>

Recommendations	Target Completion Date (as of report issuance)
<p>2. Develop more consistent, accessible, and robust service delivery to support state agencies with procurement, contracting, and training needs. This should include:</p> <ul style="list-style-type: none"> a. Establishing service level standards and ensuring all DAS State Procurement Services staff receive sufficient, timely, and regular training on state procurement rules and expectations to enhance program consistency. b. Establishing a centralized administrative support mechanism to track, triage, and respond to agency questions and requests regarding services, OregonBuys, training and guidance resources, statewide and agency policies, contract administration, and more as needed. c. Delivering timely, accurate, and appropriate informational updates to agencies regarding DAS services and resources, policy updates, OregonBuys, guidance and training, and more as needed. d. Collecting feedback from partnering agencies on ways to enhance and target services to better meet agency needs. e. Including partnering agencies in ongoing efforts to revise, develop, and update DAS procurement and contract training, guidance documents and templates to stay current with statute and state policy. 	<p style="text-align: center;">June 30, 2027</p>

Recommendations	Target Completion Date (as of report issuance)
<p>3. Review the utilization of staff and other resources in the State Procurement Services program and make adjustments based on that review. This may include requesting additional FTE from the Legislature where appropriate to consistently perform its full suite of services, including managing the ongoing operation of OregonBuys. This review should include:</p> <ul style="list-style-type: none"> a. Determining whether DAS State Procurement Services has sufficient administrative support for key functions, such as training development. b. Ensuring staff resources are properly aligned with program needs. c. Evaluating the need to utilize contracted services to review and analyze workload and service delivery. 	<p>June 30, 2027</p>
<p>4. Create a sufficient resource plan for the ongoing development and operation of OregonBuys and use the plan to obtain and direct funds and staffing.</p>	<p>June 30, 2027</p>

Recommendations	Target Completion Date (as of Report Issuance)
<p>5. Coordinate with the Department of Justice, Enterprise Information Services, and members of the Designated Procurement Officers Advisory Council, perform an assessment of OregonBuys which includes:</p> <ul style="list-style-type: none"> a. Reviewing agency policies and practices' changes to inform DAS's efforts to standardize procurement processes among agency users. b. Creating more agency-specific reporting customizations to help meet state and federal reporting requirements. c. Evaluating and equitably managing state resources for quarterly release testing to support more sufficient and balanced agency participation. d. Analyzing spend data within OregonBuys as well as spend data residing in external sources to support informed reporting and strategic sourcing effort. e. Identifying common external system workarounds and finding ways to minimize and mitigate their use. 	<p style="text-align: center;">June 30, 2027</p>

Recommendations	Target Completion Date (as of report issuance)
<p>6. Coordinate with Periscope Holdings and agency partners to clarify DAS and vendor customer service roles and expectations and revise DAS support protocols with state agencies using OregonBuys. These changes should address communication needs and challenges and should include:</p> <ul style="list-style-type: none"> a. Giving agency users prompt, consistent, and well-coordinated support from DAS and Periscope Holdings to address questions and issues about the OregonBuys system or state procurement process. b. Providing agency users involved in OregonBuys quarterly release testing with clear and timely communication on testing priorities, requirements, and timeframes. 	<p>June 30, 2026</p>
<p>7. Coordinate with the Department of Justice, Enterprise Information Services, and the Designated Procurement Officers Advisory Council to conduct a benefits and feasibility study of enterprise-wide contract management systems. The study must prioritize system security and DAS must report findings to the Legislature.</p> <ul style="list-style-type: none"> a. Based on study results and Legislative direction, determine whether to adopt an enterprise-wide contract management system and identify critical next steps. 	<p>December 31, 2027</p>
<p>8. Monitor, assess, and regularly report to the Legislature on progress made to capture and analyze OregonBuys spend data and efforts to utilize spend data from other sources in this analysis.</p>	<p>Upon Request by Legislature</p>

Questions?

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