



CITY PROCUREMENT: Contracting process needs Council intervention

June 2015

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City Auditor

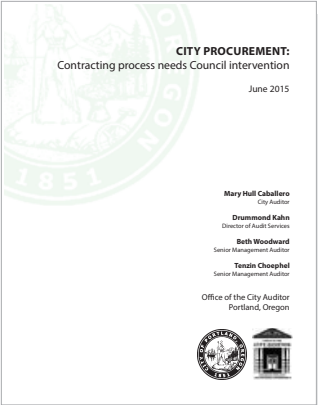
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June 24, 2015

To: Mayor Charlie Hales
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman

Subject: Audit Report – *City Procurement: Contracting process needs Council intervention* (Report #446A)

The procurement process needs City Council's attention. Portland procures about \$600 million each year in goods and services through a variety of methods. The Chief Procurement Officer acts under your delegated authority and would benefit from clarity about your priorities when wielding the City's considerable purchasing power. This is especially true when purchasing objectives are in conflict, such as when contracts are awarded non-competitively to emerging small businesses without an affirmative action purpose. This report makes several recommendations for improvement, and they begin with guidance from Council.

We will follow-up with the Office of Management and Finance and its Commissioner-in-Charge in one year for a status report on the steps taken to address all of our recommendations.

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CITY PROCUREMENT:

Contracting process needs Council intervention

Summary

The Chief Procurement Officer and Procurement Services Division provide centralized contracting services and guidance to City bureaus. The City spends about \$600 million annually through various contract types and purchase orders, a portion of which involve Procurement. Procurement helps bureaus comply with City requirements, including social equity requirements intended to address disparities in City contracting opportunities.

We reviewed Procurement activities due to potential risks associated with public contracting that may be affecting the City. Over the years, we have audited various aspects of City contracting and, in each report, we found areas where greater oversight was needed. Therefore, we focused this evaluation on Procurement's oversight of contracting to meet State requirements and Council objectives.

Although Council delegates significant authority to the Procurement Officer, we found four inter-related problem areas in Procurement's oversight of the City's contracting process:

- City Code and policy do not provide clarity about Procurement roles and responsibilities. Some roles are undefined and other roles conflict, allowing oversight gaps.
- The overall level of competition for City contracts is not measured, although the City allows numerous exceptions to open competition.
- Including emerging small businesses as if they were subject to disparate treatment could weaken the effectiveness of social equity programs.
- The City is susceptible to unmanaged contracting risk because Procurement does not strategically and effectively analyze available information.

In general, we found that Procurement’s contract oversight is reactive – the strategic and structural value of using a centralized procurement function to manage contracting risk is therefore unrealized.

We recommend actions by Council, the Chief Administrative Officer, and Procurement that include:

- Clarifying and prioritizing Procurement roles and responsibilities to address oversight gaps and potential conflicts.
- Measuring and monitoring the level of competition for City contracts.
- In City documents and measures, distinguishing between groups subject to social disparity and emerging small businesses, to strengthen the effectiveness of social equity programs.
- Reviewing the use of procurement information and risk management for City decision-making.

Background

Contracting is an important means to get City work done

The City makes purchases and accomplishes much of its work through many kinds of contracts. The City spends about \$600 million annually purchasing various contract types and purchase orders. These contract types include those that must follow the State’s competitive procurement rules, as well as those outside of those rules, such as intergovernmental agreements, leases, and grants. Getting the best contracting value for Portland taxpayers depends on how the City defines its needs, solicits offers, determines value, and manages contracts.

Poor contracting practices can leave the City vulnerable to paying more than it should, not getting the value it expected, and potential fraud. The City Charter recognizes contracting risks by requiring a City purchasing agent to advertise contracting opportunities to obtain competitive bids. General contracting risks the City must manage include fraud, rule exceptions, unjustified sole source contracts, insufficient competition, and incomplete contracts. Some of these risks may be higher when the City contracting process is spread among bureaus, rather than centralized.

City financial policy requires management at all levels to assess risks and establish and monitor controls that minimize risk by providing reasonable assurance of key controls such as accurate and reliable financial reporting, legal compliance, and effective and efficient operations.

Procurement Services has essential role in City contracting

Under State law, the City Council is legally responsible for the City's contracts. Council delegates much of its contracting authority to the Chief Procurement Officer through City Code. The Procurement Officer supervises the Procurement Services Division. Procurement oversees and manages the City's contracting processes, as shown in Figure 1. It reviews and approves contract documents prepared by bureaus. Figure 1 also shows bureau and other City roles in contracting.

Figure 1 Overview of centralized City contracting

City Authority	Responsibility
City Council	Overall – contracts and City Code Approves contracts and amendments not delegated to procurement
Chief Procurement Officer	Drafts Code for Council consideration Creates forms and guidance manuals Reviews bureaus' documents Manages solicitations Manages bid/proposal evaluations Reviews bureaus' proposal evaluations Awards and signs contracts Approves amendments
Bureau	Determines need for contract Estimates contract amounts Prepares documents for review Manages contract administration
City Attorney	Reviews forms for legality
City Auditor	Verifies signers have authority Records contracts

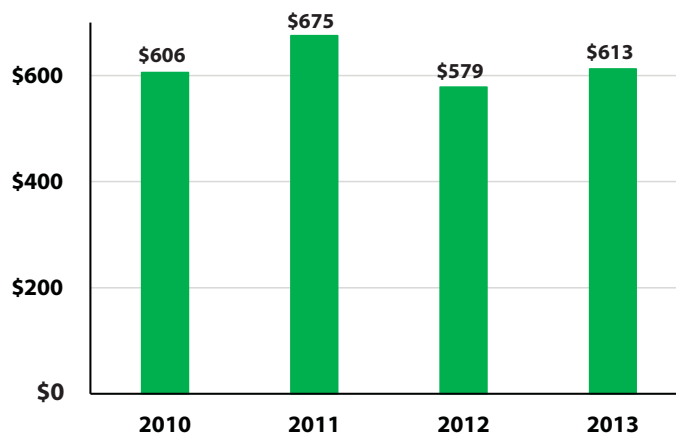
Source: City Code and policy

Procurement prepares Citywide guidance manuals and forms that bureaus must use for the three centralized categories of contracts: goods and services, construction, and professional services. The professional services category was the most recently centralized to improve and monitor contracting practices, following our 2001 audit. Under City Code, the Procurement Officer creates the manual governing selection and award of professional services contracts. Procurement refers to this role as “quasi-centralized.”

The City’s Chief Administrative Officer, who leads the Office of Management and Finance where Procurement is located, also has a role in directing the Procurement Officer’s responsibilities. Procurement’s stated mission is to “provide strategic responsible public contracting services to deliver the best value for our customers.” Value for the City includes assuring that opportunities to participate in the City’s work are equitable. Procurement manages social equity programs designed to improve those opportunities specifically for construction and professional services contracts.

Figure 2 shows total Citywide spending on all contracts documented in the City financial system during our review period. These annual totals include bureau spending on contracts that Procurement does not “touch” individually due to their small size (generally \$5,000 or

Figure 2 City spending through all City contract types and purchase orders (millions)



Source: Auditor analysis of Citywide enterprise business system.

Note: The City system for the procurement functional area includes a variety of activity, such as grants, intergovernmental agreements, leases, and purchases not paid on a purchase card.

less) or contract type (such as grants, intergovernmental agreements, and leases). Procurement's involvement is focused on individual contracts that require its approval as each is processed.

Procurement annually reports only the total amount of contract awards that required advertising and/or approval by Procurement, not contract spending. These annual reports focus on its measures of results in social equity and sustainable contracting programs.

**Complex process
involves bureaus,
Council, Procurement,
and others**

Several factors make the City's contracting process complex. The two most significant factors are the category of purchase - goods and services, construction, or professional services - and the size of the contract award amount. Using the three categories helps the City comply with State law. However, contract authorizations, forms and process requirements differ for each category and for different estimated amounts within each category. For example, when Council's authorization is required for a large award amount, a bureau may need to prepare an ordinance before Procurement solicits bids.

In addition, social equity program requirements and sustainability considerations may depend on the category and size of a contract. Bureaus determine what they need and estimate the cost, then work with Procurement to meet requirements for soliciting a provider and executing a contract.

State law allows the City much discretion in its controls over the contracting process, such as how it solicits professional services. For example, bureaus retain the authority to conduct solicitation for professional services contracts up to \$100,000, and Procurement reviews evaluation process prior to award.

Large competitive contracts in all three categories involve many steps, such as Council budget approval, preparation of documents and cost estimates, solicitation, bid evaluation, negotiation, and contract administration. While the process mostly involves a bureau and Procurement, the City Attorney and City Auditor also have limited roles. Figure A in the Appendix provides more detailed information about typical steps in a competitive contracting process.

Audit Results

We reviewed Procurement’s oversight of City compliance with State requirements and Council policy, and found four inter-related problem areas:

- City Code and policy do not provide clarity about Procurement roles and responsibilities. Some roles are undefined and other roles conflict, allowing oversight gaps.
- The overall level of competition for City contracts is not measured, although the City allows numerous exceptions to competition.
- Including emerging small businesses as if they were subject to disparate treatment could weaken the effectiveness of social equity programs.
- The City is susceptible to unmanaged contracting risk because Procurement does not strategically and effectively analyze available information.

In general, we found that Procurement’s oversight is reactive. The strategic and structural value of using a centralized procurement function to manage contracting risk is therefore unrealized.

Undefined and conflicting Procurement responsibilities leave gaps in oversight

Effective oversight requires clear organizational roles and responsibilities to enable accountability. We found that Procurement’s responsibilities are not clearly defined, and its assigned roles may conflict, leaving gaps in centralized oversight of contracting such as lack of monitoring aggregate activity.

Authority of Procurement Officer needs criteria for decisions

The Procurement Officer’s responsibilities are composed of requirements in the City Charter, City Code, and numerous Council directives that address social equity and sustainable procurement. Through Code, Council delegates extensive authority to the Procurement Officer to award and execute contracts and price agreements, amend contracts, adopt the forms and procedures bureaus must use, review bureau products, and more. These decisions can directly affect the terms and level of competition in City Contracts. Figure B in the Appendix provides a list of decisions and actions cited in City Code that the Procurement Officer is authorized to make on behalf of City Council.

However, Council's intended basis for Procurement's decisions is not clear. Despite the broad authority of the Procurement Officer, City Code and policy do not provide criteria for the Procurement Officer in making discretionary decisions about contracts or general oversight. For example, the Procurement Officer and staff may base decisions on City Code, standards of professional organizations, Council direction on social equity programs, or bureau requests. The basis for each decision is not documented, nor is it required to be. For example, the Procurement Officer could make review decisions based on likelihood and impact of any non-compliance or fraud, or based on social equity goals, or on other factors. Procurement told us that criteria for decision making should not be in Code, and that collective experience among staff is sufficient.

Council perspectives differ from Procurement perspective

We interviewed two members of Council and representatives of two other members to learn about their perspectives on Procurement's oversight role, and how they rely on it. Their views were consistent in two ways. They expressed a high level of confidence in the Procurement Officer and Procurement staff, and they supported Procurement's policy emphasis on social equity programs. However, they differed on the type of oversight they expect Procurement to perform.

Procurement describes its function as providing customer service, primarily to bureaus, and said its reviews were to verify compliance with Code. Some officials representing City Council said that they perceive Procurement as being a substantive "watchdog" or control function rather than customer service. Others said they viewed Procurement's oversight as routine, relative to bureaus' greater responsibility. One official said Procurement's decisions should balance the need for competition with the need for efficiency.

We also heard concerns about a variety of contracting issues. They included the need for more clarity in City requirements and the need for contract accountability – information on end costs relative to initial authorizations to see whether project outcomes improve when costs increase.

Potential role conflicts leave gaps in oversight

Procurement potentially faces several conflicts as it performs various assigned roles, leaving gaps in its oversight. Council has not prioritized among its policy directives, and some directives may compete or may not all be attainable in the same contract. For example, one contract could meet a social equity goal, could be awarded at the lowest price, or could help a small business, but these three goals may not be met by the same contract award if, for example, the small business did not offer the lowest price.

Further contributing to conflicting Procurement roles is the general customer service priority of the Office of Management and Finance. Procurement managers and supervisors view their primary day to day role as doing everything they can to support bureaus and help them achieve their goals, within the limits of contracting rules. This customer service role is apparent when the Procurement Officer speaks publicly alongside bureau directors on behalf of bureaus when recommending awards to Council. Each line in Figure 3 shows potentially conflicting Procurement roles – Role A and Role B.

Figure 3 Potentially conflicting Procurement roles

Role A	Role B
Provide leadership, policy development, oversight and management of City procurement	Serve customers (primarily bureaus and Council) – meet their needs
Conserve City resources through competition	Increase social equity opportunities through exceptions
Solicit bids and other offers, review evaluation, and provide contractor services	Resolve protests of awards
No responsibility for contract administration, which is the responsibility of bureaus	Administer City price agreements; during contracts, monitor contractor compliance with City social equity programs, and approve some amendments

Source: Audit Services Division analysis of City Charter, Code, policies and records

Procurement exercises its oversight role when enforcing contractor compliance with social equity programs, but it appears that serving bureau needs sometimes takes priority over requiring bureau compliance with City contracting guidance. For example, Procurement appeared to put its service to bureaus ahead of procurement oversight when it:

- Approved a 2013 extension of a \$575,000 contract with a consultant who had hired the City's contract manager, violating the contract. The City's contract manager had been involved in the 2008 contract award process.
- Approved a contract amendment of about \$84,000 to add a subcontract for new professional services outside of the original contract's scope, rather than solicit these new services competitively.
- Approved increases at or close to 25 percent of original contract amounts when the amendment language included no basis to justify the change.

We selected these examples, and others in this report, based on our judgment as we reviewed available contract information. Due to data issues described later in this report, an audit population was not identifiable that would have allowed representative contract sampling and testing.

Specific review of the appropriateness of bureau business decisions and adequacy of bureau cost estimates could be an oversight gap. Review would be at the discretion of bureau directors, Council or the Procurement Officer. However, Procurement told us it does not oversee bureaus' contracting decisions of a business nature, and that bureaus are accountable for contract outcomes, regardless of Procurement's oversight role.

According to Procurement's guidance documents, bureaus perform all contract administration except for the price agreements that Procurement manages. Monitoring contractor compliance with contract requirements is also considered a bureau responsibility, except when the requirements involve social equity programs. It is not clear how Procurement can approve a contract extension or an amendment increasing contract value without some review pertinent to business accountability. The nature of Procurement's reviews preceding many other approvals is equally unclear.

City Code contributes to role conflict by often referring to a “City” action or decision, such as contract negotiation, without specifying whether the responsible City entity is Procurement, a bureau, or other authority. Another factor that makes role clarification challenging is the difference in contracting knowledge among the bureaus. Smaller bureaus need more help from Procurement to navigate the City process and avoid potential risks, while several large bureaus have professional procurement staff to assist their project managers with contracting.

Other role conflicts shown in Figure 3 inherently make exceptions to competition. The Institute for Public Procurement standard for ethical procurement calls for avoiding overlapping duties, yet the performance measures Procurement reports in the City budget shows that it emphasizes the role of fostering social equity not competition. For example, all four of Procurement’s effectiveness measures address social equity programs. While Procurement also emphasizes customer service, it does not report customer service measures, either, such as customer survey results or average contract award time.

Level of competition for contracts may not meet legal intent to provide best value

Contracts awarded in an environment of full, fair and open competition are more likely to provide the best value while significantly reducing the opportunities and risks of fraud in contracting. Competition is normally required to establish lowest pricing. We found that although City Code encourages competition, the City allows many waivers of competition that may not be fully reviewed or monitored to ensure appropriate use. We also found that Procurement does not track contract characteristics that it could use to assess whether the level of competition is adequate.

State law emphasizes competitive contracting, while the City allows extensive exceptions

Oregon’s public contracting law explicitly says that a public contracting system should “allow impartial and open competition, protecting both the integrity of the public contracting process and the competitive nature of public procurement.” Competitive bidding is the standard for construction contracts, although the State allows for exemptions when “substantial cost savings” should result. It also allows the City to waive competition in other cases.

City Code allows waiving competition for many reasons, such as when specific services and products are only available from one source, to promote social equity, and to involve construction contractors in a project design phase. Figure 4 lists most exemptions and other waivers allowed. Some, such as the sole source waiver, require specific approval by the Procurement Officer.

Figure 4 Contracts without required competition

Exemptions and other waivers from competition	City Code procurement group*		
	Construction	Goods & Services	Professional services
Sole Source (available from only one source)		✓	✓
Exempt Direct (City Attorney)			✓
Direct Contract (\$50,000 or less, if contractor is certified minority-owned, women-owned or emerging small business)			✓
Emergency (unforeseen circumstances)	✓	✓	✓
Special Procurements – 21 total, such as:			
• Amendments to competitively awarded contracts	✓	✓	✓
• Services related to legal advice		✓	✓
• Software and hardware licenses		✓	
• Advertising, copyrighted materials,		✓	
• Used equipment		✓	
• Stormwater improvements on private property	✓	✓	
• Hazardous material removal and oil clean-up	✓	✓	
Exempt from Invitation to Bid: contracts selected for Prime Contractor Development Program	✓		
Alternative Contracting Methods (construction phase)	✓		
Council Exemption by Ordinance	✓	✓	✓
Small Procurement (generally \$5,000 or less)	✓	✓	✓

* Procurement also reports a Technology group it uses for processing. Technology contracts follow either Goods and Services or Professional Services Code.

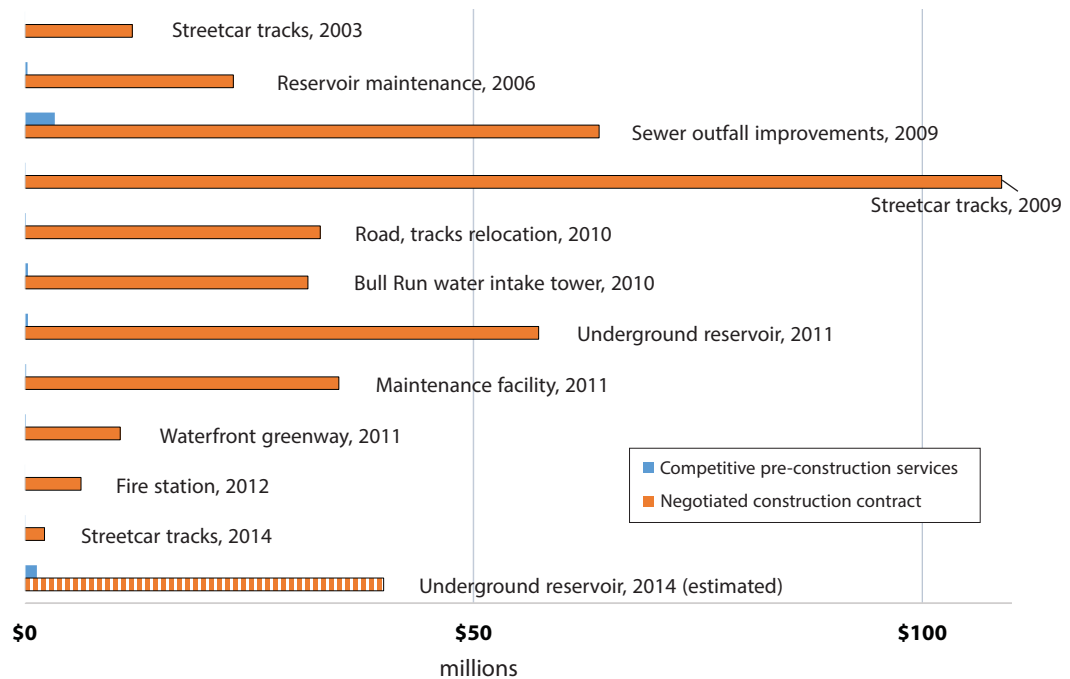
Source: City Code and policy.

Cost savings for alternative construction methods not demonstrated

Although Procurement only allows a small portion of construction contracts to use the exemption from competitive bidding, these contracts tend to be for very large dollar amounts. We identified 12 construction contracts with exemptions the City allowed, using the

Construction Manager/General Contractor method of contracting. Procurement does not classify or track these alternative contracting methods. We found that total construction costs for these contracts, shown in Figure 5, is about \$424 million. Instead of bidding on construction work, the contractor selected to assist the design process participates in determining the cost of the resulting construction.

Figure 5 Construction contracts exempt from competitive bidding*



* Under the Construction Manager/General Contractor method of Alternative Contracting, pre-construction services during design phase are contracted competitively. The selected contractor later negotiates separate construction contract exempt from competitive bidding.

Source: City Archives, as of April 2015.

For these 12 negotiated construction contracts, contractor fees ranged from 2.1 percent for the maintenance facility constructed by the Portland Water Bureau, to over 20 percent for the sewer outfall constructed by the Bureau of Environmental Services. Most of the Procurement reports to Council recommending award of these contracts did not cite the fee percentage, proposed in the preceding pre-construction services contracts.

Negotiated costs increased during seven of the 11 construction contracts where work was complete or underway at the time of our review. Despite the State requirement for cost savings, our review

of these contracts showed that Procurement's oversight interest is to use the exemption method to negotiate increased subcontracting to certified businesses for social equity goals, rather than to verify compliance with the State's cost savings requirement. Procurement commented that bureaus monitor the cost savings requirement.

Sole source contract type may be overused and poorly negotiated

City Code allows sole source contracts when the Procurement Officer agrees with the bureau that the products or services needed are available from only one source. When the estimated contract value exceeds the Procurement Officer's authority, Council also must approve. Procurement's written approval is based on information in a bureau's application that must provide legal justification. In addition, public notice of the intended award is posted for seven days when the award is over \$50,000 for goods and services, or over \$25,000 for professional services.

According to management, when the advertised intent to award a sole source contract is contested by a potential bidder, the Procurement Officer may use this as evidence requiring the bureau to use a competitive solicitation. In this process, the Procurement Officer also uses the lack of protests from external parties as additional evidence to justify sole source. In effect, Procurement transfers a portion of its sole source evaluation role to potential competitors, who may not have seen the notice or wish to protest it. Procurement disagreed with this conclusion, calling the advertisement a market test.

Sole source contracts can be efficient and fair. However, some sole source approvals we reviewed may not have been fully justified as required in City Code and guidance. Examples we found included:

- An informal contract with a former City bureau director to provide organizational development services lacked a fee rate.
- An informal contract to provide training for nearly \$100,000 was signed by one party a week before the project manager requested the Procurement Officer's approval, although the Procurement Officer is supposed to approve before cost is negotiated.
- A bureau bypassed the Procurement Officer for sole source approval of a \$15,351 purchase of meeting facilitation and

equity training, a service that could be provided by many contractors. The contract required Council's retroactive emergency sole source approval after the work was performed. This example also illustrates the bureau's lack of recognition of Procurement oversight authority.

The same contractors selected to do the work in these examples may have been selected in a competitive process, but others did not have an opportunity to propose services.

Procurement managers told us that bureaus perform the cost estimates for sole source contract value as for other solicitations. Procurement suggests corrections to bureau estimates when it has specific information that differs. However, with no City requirement to negotiate contract value, and no Procurement guidance for cost estimating methods, these contracts may not provide the best value for the City, even when sole source is justified.

Insufficient monitoring and reporting of competition exemptions and waivers, with some recent improvements

Although open and fair competition in contracting is a key best practice cited by the Institute for Public Procurement, we found that Procurement does not track some information that it could use to evaluate the level of competition in contracting and the appropriate use of exemptions and other waivers. This information could be useful to Procurement as it works with bureaus on each solicitation or contract, verifying or assisting with compliance, and useful to Council as it updates City Code. However, the exemptions and other waivers to competitive contracting shown in Figure 4 are only partially captured in Procurement's database.

Amendments to competitively awarded contracts represent a large non-competitive portion of City contracting expenditures, and a risk area, yet we found Procurement had no database category for amendments. Procurement does not monitor these expenditures, except on a case by case basis when its approval is required. Procurement managers told us that they base such approvals on whether they have authority for the amount and whether amendments exceed the original scope of work. City officials told us amendment activity could be quantified in the City's financial system, but we found inconsistent practices in the way amendments are captured which precludes any reliable aggregated analysis of amendment frequency and value.

In May 2014, the Mayor requested more information on construction contract amendments. As of October 2014, the Procurement Officer began providing Council quarterly reports of certain types of open construction contracts, highlighting larger percentage increases. While this is an important step in using the City financial system for oversight, this type of reporting also escalates the need to have reliable information in the system. It is also unclear whether the reports address risks related to overall City amendment activity, because the scope includes only certain kinds of construction contracts.

For competitive contracts, tracking the number of responsive bids or proposals received for an advertised solicitation could help Procurement manage the risks of collusion and corruption. We found Procurement does not document this number except in the contract file. When the City receives only one or two bids or proposals, the reason could be that work was not described appropriately, or that conditions of the work discouraged competition either deliberately or inadvertently. It could also mean that vendors are busy. Although such solicitations could be modified to reduce barriers to more bidders, and advertised again, we found evidence that Procurement recommends proceeding with only one bid or proposal. For example, Procurement recommended Council accept a lone proposal for a \$500,000 contract for financial advisory services.

Because this information is not completely captured by the City, Procurement is not able to quantify the frequency or value of such awards, and it does not acknowledge a need to track the number of responsive bids and proposals the City receives for monitoring purposes. However, consultants who reviewed the Office of Management and Finance in 2014 recommended that Procurement capture all solicitation and contracting activity.

Procurement also lacks transparency about the proportion of City contracts that it finds to be justifiably sole source. Each signed approval form is placed in the individual solicitation file, and would have to be examined individually to compile information about which justifications are used most often.

City Code requires Procurement to submit periodic reports to Council on non-competitive sole source and emergency contracts for professional services. However, during our audit we found that Procurement only fulfilled this requirement after auditor and media requests in

2013, and without the sole source justifications for contracts listed, or setting a tolerable range of allowable activity. Procurement's own compliance with its reporting requirements to Council is an important improvement, although Procurement's report only reflects these specific types of non-competitive contracts. While not required, we found no reports about other non-competitive proposals and bids in our review.

Effectiveness of social equity programs diminished by diluted focus

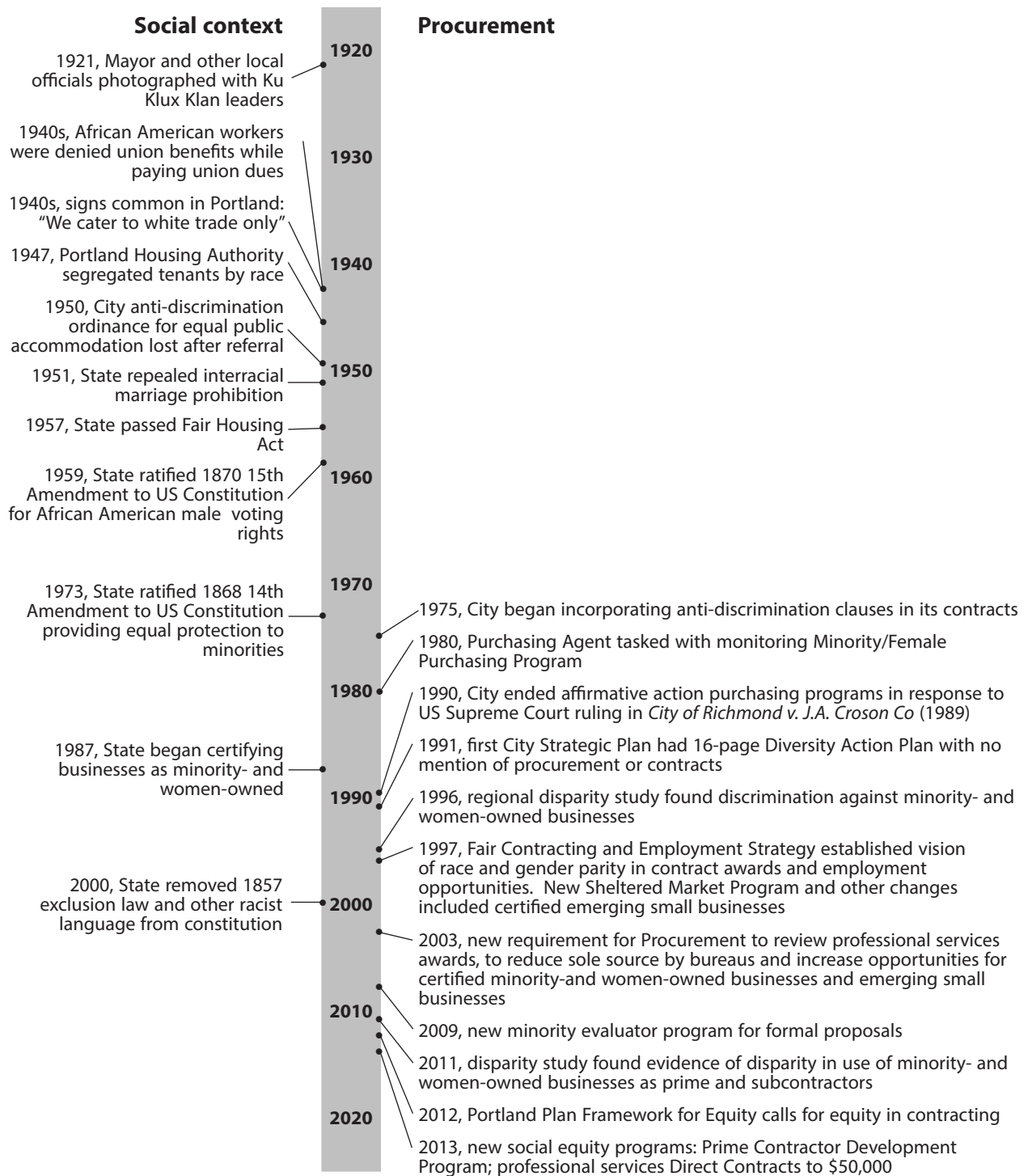
The City began affirmative action activities in about 1980, citing Federal requirements, and since then Council has relied on Procurement to develop and manage the City's social equity programs. These programs are designed to make contracting and apprenticeship opportunities available to business owners and workers who are part of identified racial/ethnic minority ("minority") and/or gender groups without equitable access to opportunities.

The City's efforts to address contracting inequities by providing opportunities to State-certified minority and women-owned businesses are diluted by including small businesses that have not faced social inequities in the same programs. We found evidence that the social equity purpose is not necessarily served by treating all small businesses as if they had been subject to social disparity. Small businesses owned by Caucasian males, for example, may face economic disparity but not social disparity. City practice has resulted in treating small businesses as socially disadvantaged, regardless of the race and gender of their owners. The City's investment in social equity may therefore sometimes reinforce disparities rather than mitigate them.

Evidence of minority and gender disparity in City contracting is clear

Disparity studies can help the City determine whether social equity programs are needed and legally defensible. A 1996 study of discrimination in regional construction trades, and a 2011 City study both found disparities between the availability and use of minority-owned and women-owned businesses as prime contractors and subcontractors. Figure 6 provides historical context of social inequities that have likely diminished contracting opportunities in Portland, particularly for minority business owners. Figure 6 also provides a concise timeline of significant related events in Procurement.

Figure 6 City of Portland social equity contracting history



Source: Audit Services Division analysis of City records

After the 1989 U.S. Supreme Court ruling in *City of Richmond v. J.A. Croson Co.*, the City ended its early efforts to create social equity programs in contracting. It was not until the 1996 study found discrimination in contracting that the City began developing new social equity programs, such as the Sheltered Market Program. To make the programs race and gender neutral, the City's new 1997 programs included certified emerging small businesses, to withstand legal challenges similar to the *Croson* case.

Our 2010 audit found that the Sheltered Market Program had awarded about half of total set-aside contract dollars to Caucasian males since 1997 and 11 percent to African Americans. Council ended the program in 2011 after the 2011 report also showed continuing disparities. Council directed Procurement to create a replacement program and develop other recommendations to address the disparities documented. Council fully supported the programs Procurement proposed in 2012 to contribute to social equity.

Including businesses not subject to social disparity could weaken social equity programs

City programs undertaken for social equity purposes benefit emerging small businesses to the same extent that the programs benefit minority-owned and women-owned businesses that have been socially disadvantaged. Procurement's database captures only one certification per business. As a result, businesses with multiple certifications are tracked as minority-owned or women-owned, because these classifications take priority in the database over the emerging small business classification. Therefore, certified emerging small businesses in the Procurement database are owned by Caucasian men or businesses that may qualify but are not certified as minority-owned or women-owned. Specific ethnicities and gender are not quantified.

Examples of City social equity programs that include emerging small businesses are:

- The Prime Contractor Development Program has the goal of growing the number of minority and women prime contractors on City construction projects and includes emerging small businesses. The program provides free educational and training opportunities and limits competition to those members of the Program invited to bid on construction contracts by Procurement.

-
- The Good Faith Efforts Program requires prime construction and professional services contractors to make an effort to subcontract with the certified minority-owned, women-owned or emerging small businesses. Procurement monitors utilization and contractor efforts to work with certified businesses.
 - The Direct Contracts Program for professional services allows bureaus to bypass otherwise required informal competition for contracts valued at \$50,000 or less, provided they offer the contracts only to a certified minority-owned, women-owned, or emerging small business.
 - On larger contracts solicited through requests for proposals, the City reserves eight out of 100 total proposal evaluation points for percentage of the work to be done by certified minority-owned, women-owned, or emerging small businesses.

State law permits the City to limit competition when the purpose is to ensure equal opportunity for businesses owned by persons disadvantaged “by reason of race, color, religion, sex, national origin, age or physical or mental disability,” or to give preference to disabled veterans. The City can limit competition on contracts estimated to cost up to \$50,000 for the purpose of affirmative action. However, under State law, affirmative action does not apply to emerging small businesses. In a section separate from affirmative action, State law does permit the City to require contractors to subcontract some work to certified emerging small businesses.

The City’s inclusion of emerging small businesses in contracting programs intended to increase opportunities for minority-owned and women-owned businesses has two effects that may diminish those opportunities. The first is that some prime- and sub-contracting opportunities are offered to emerging small businesses owned by Caucasian males, reducing the probability that minority-owned and women-owned businesses will be considered for those opportunities. The second effect is that some City documents describing social equity programs imply that the City has a social equity purpose in including emerging small businesses, when the City purpose is to make the programs race and gender neutral. The City may have a purpose for supporting emerging small businesses but it is not a social equity purpose.

The City fails to differentiate the social equity purpose from the purpose of race/ethnicity and gender neutrality, thereby equating the two in City documents. Even City Code cites emerging small businesses under affirmative action. We found other misleading citations in Procurement guidance, the City's Framework for Equity, Council resolutions and ordinances, and Procurement affirmative action reports. Including emerging small businesses owned by Caucasian males in references to social equity and providing these businesses equal benefits may increase disparity in Portland rather than reduce it. Each of the programs listed in this section could appear to be effective, even without any participation by minorities and women.

Progress toward aspirational goals not reported

Over the years, the City has stated some aspirational goals for using minority-owned and women-owned businesses as well as emerging small businesses, but we found goal statements did not align with the scope and focus of City activities. For example, some goals combine socially disadvantaged businesses with emerging small businesses – the City's utilization goals for subcontractor awards combine minority-owned, women-owned and emerging small businesses for construction (35 percent) and professional services (20 percent). In contrast, some goals are specific to a particular socially disadvantaged group – the City's aspirational goals for construction workforce training and hiring are specific to minorities (18 percent) and women (9 percent).

In addition, it is unclear whether progress toward these goals is adequately and reliably reported. We found concerns with reporting coverage, specificity and consistency, which make it difficult to determine whether social equity programs are effective. For example, Procurement's past annual reports sometimes combine minority-owned, women-owned and emerging small business activity, and other times present information by individual groups. In another example, Procurement's annual report shows utilization as a percentage of total award activity, while its budget shows utilization as the number of contracts. Procurement did not present utilization in relation to a specific goal in either example.

When we attempted to analyze information in Procurement's database to show activity trends compared to aspirational goals, we were unable to reliably replicate information Procurement previously

reported. Procurement told us it has worked to improve its reporting, which is why these inconsistencies exist during the audit period.

“Achieving equity requires the intentional examination of policies and practices that, even if they have the appearance of fairness, may marginalize individuals or groups and perpetuate disparities or injustices.”

**City Council
2011 Ordinance 184880 to Create the Office of Equity and Human Rights**

Unmanaged contracting risk leaves City more vulnerable and ill-equipped for strategic decision-making

The City is susceptible to unmanaged contracting risk because Procurement does not systematically analyze information to track contract awards and spending. We found that the City had no overall risk management plan for procurement, or a reliable analysis of purchasing activity it needs for such a plan.

City lacks a risk management plan consistent with procurement best practices

Best practices in contracting include managing risks, holding parties accountable, and providing transparency. It is management’s role to identify risks that could hinder meeting program objectives, and respond to those risks through appropriate controls. The City’s complex contracting processes could add to contracting risk.

Even the most effectively managed public contracting processes are susceptible to various types of risk, including fraud, waste and abuse. Figure 7 shows contracting risks we noted in our review of literature. A public contracting standard for risk management includes identifying and analyzing risks, and developing risk management plans based on decisions to either avoid, accept or transfer identified risks. Such strategic oversight is a common way for centralized contracting functions to demonstrate value to their organizations.

Despite this professional standard, we found the City had no overall risk management plan for procurement. When asked about fraud, Procurement was not aware of any significant exposures that put the City at risk. Managers in Procurement consistently told us that they check bureau compliance with City Code and policy as they review and approve each solicitation and contract document. Moreover, they described different types of risk factors by contract group. Since

different authorities are responsible for contracting across the City, Procurement told us that managing some of these risks is the responsibility of City bureaus rather than Procurement. While bureau responsibility may be an important element of the risk management standard, we found little evidence that these City risks were actively assessed, or that Procurement addresses decisions about strategic mitigation of risks in any holistic way. After reviewing this report, Procurement told us it helps bureaus manage many of the risks listed in Figure 7 through consultation.

Figure 7 Risks in public contracting

<p>Fraud Collusion, bid rigging, kickbacks, revolving door, passing insider information, manipulating estimate, avoiding competition, abusing change orders</p>
<p>Management override Exceptions to rules Emergency Authorization after work completed Allowing vendor’s contract language</p>
<p>Conflict of interest Undeclared bias among those creating or approving contract</p>
<p>Sole source without full justification</p>
<p>Insufficient competition Specifications favor a particular contractor Not enough bids or offers Lack of robust procurement processes Contract scope increased by amendment</p>
<p>Poor preparation Incomplete bid documents Inadequate financial appraisal – failure to apply lifetime costing techniques in proposal evaluation Contract terms undefined, e.g. time allowed to complete Failure to exclude certain expenses</p>
<p>Failure to obtain performance by contractor Specified services or products not delivered</p>
<p>Failure to detect mistakes Not detecting mistakes made may lead to failure to prevent, detect, or correct noncompliance</p>

Source: Audit Services Division analysis of City policy and records, and best practices in public procurement, including by Ives & Hancox, Baker Tilly, and the Institute for Public Procurement.

Actual size and nature of purchasing unknown due to unmanaged information

An analysis of purchasing activity is a first step in determining the overall risk management plan, because it describes the size and nature of contracting for the organization. When done correctly, the analysis can allow the organization to leverage buying power, reduce costs, improve operational performance and provide better management and oversight. This also allows for developing goals and targets relative to current activity. Similar to risk management, a professional standard in public contracting specifies and describes the basic elements needed for data analysis. Figure 8 shows these standard elements.

Figure 8 Standard elements necessary for analyzing procurement data

Element	Description
Identify and Collect Data	Work to identify all data, internal and external, for the organization. Collect and automate data after sources are identified.
Cleanse, Group and Categorize Data	Cleanse data to remove any duplicates and errors. Group and categorize data. These processes are needed to ensure accurate data organization and correlation, and enable actionable analyses.
Create Repeatable Processes	Support data extraction, classification, enhancement, and analysis activities with automation and services that can streamline procedures and make it possible to repeat the analysis process.
Analyze Data	Regularly analyze collected data to support management decisions for the organization and improve oversight.

Source: The Institute for Public Procurement's *Principles and Practices of Public Procurement*

We found the City does not follow the standards for data analysis and, as a result, the actual size and nature of City contracting is not known. More importantly, Procurement is unable to describe its services as they relate to overall City contracting. According to Procurement, the City has six different information systems that include procurement-related information that could serve as the foundation for such an analysis. During our review, we focused on two of these systems: the City's financial system, which represents the complete spending related to purchasing activity, and Procurement's database for internal tracking of its contract awards.

When we began our audit work, Procurement told us that the City financial system is important to quantify the contracting activity, yet acknowledged it does not monitor this information or generate reports. We found that while the City's financial system and Procurement's database could be used together, Procurement told us these two systems were not designed to work together. As a result, current information management is fragmented and does not allow for reliable or meaningful reporting of either aggregated City contract information or those contracts with Procurement's involvement.

Procurement had not conducted an analysis of this fragmented information since the 2009 implementation of the City's financial system. Therefore we attempted to describe the size and nature of the City's procurement activity and the subset that involved Procurement activity. After we shared our analysis of and observations about the data with Procurement, Procurement conducted its own review and proposed an approach which relied on key fields that – upon both our review and theirs – revealed reliability concerns. Procurement agrees with us that definitive conclusions about the aggregated data could not be made, but disagrees with us about the reliability of this information for audit sampling and testing purposes.

For example, information in the two data systems we reviewed could not be reliably disaggregated by the type of contracting activity. Neither spending totals nor contract awards could reliably be broken down into basic categories of goods and services, construction, and professional services.

As shown in past reviews and our prior audits of Procurement, the City has a history of not having or not using available management information. The City, including Procurement, continues to expend resources to collect this information. However, in this audit we found significant deficiencies in the way Procurement manages information. These deficiencies impair Procurement's ability to conduct the analysis it needs to be an effective centralized procurement function. Figure 9 shows specific challenges the City faces in meeting best practices in procurement analysis.

Figure 9 Challenges in analyzing City procurement data

Element	Challenges
Identify and Collect Data	Business process mapping in 2013 did not include the City's financial system Redundant data entry into multiple systems used to collect information No written procedures for Procurement's database Procurement staff report limited knowledge and confidence in systems Auditors review shows inconsistencies in data collection practices
Cleanse, Group and Categorize Data	Questionable number, type and usefulness of classification schemes Inconsistent application of classification schemes over time Limited and infrequent assessments of data quality, such as completeness and accuracy Auditors analysis results revealed issues with data reliability
Create Repeatable Processes	No regular reporting from City's system; minimal reporting from Procurement's database Reliance on manual rather than automated processes Procurement managers recognize there are errors and inconsistencies with data entries Records not kept to support previously reported results Auditors unable to replicate information previously reported out of Procurement's database
Analyze Data	Procurement said that its business process owner role for procurement portion of City system entails no oversight over all contracts managed in this system, no responsibility for data analysis, and no control over how City staff are trained or utilize the system. Insufficient use of data to inform oversight and management decisions Auditors analysis revealed information system control weaknesses

Source: Audit Services Division analysis of City procurement-related systems, particularly the City's financial system and Procurement's BizTrak database

If we had determined the data was reliable enough to meet professional auditing standards, we would have included quantitative analyses on the level of competition and social equity program results in this report. Reliable data would have allowed us to identify a population from which to select a representative sample for further contract testing.

Recommendations

To provide clarity in Procurement roles and responsibilities, we recommend that,

Chief Administrative Officer should request that Council:

1. Clarify City objectives for the centralized Procurement function.
2. Clearly differentiate any “City” responsibilities to either Procurement or bureau in City code, enabling improved accountability and transparency.
3. In City Code, define the decision basis that Council directs the Procurement Officer to use for authority Council delegates, clarifying Council priority among its objectives for the Procurement function. For example, Council could list criteria for approval by the Procurement Officer, in order of importance of each criterion.

Chief Administrative Officer should require Procurement to:

4. Develop and maintain written procedures and records for the expectations and performance of activities conducted by Procurement staff.
5. Develop cost estimating guidance to communicate to bureaus the minimum standard for estimating contract amounts on which procurement decisions may be based.

To ensure appropriate competition for contracting opportunities, and transparency, we recommend that the Chief Administrative Officer should require Procurement to:

6. Maintain information on the number of responsive offers per competitive award in a manner that allows aggregate analysis relative to the initial and amended total cost and duration of contracts relative to initial contract conditions.
7. Periodically analyze information on the City’s non-competitive purchasing activity, including the amounts and justification categories approved for sole source and the number and amounts of emergency awards, small procurements (including amendments), special procurements and direct awards.

-
8. Report results to decision makers and public periodically in the context of level of competition achieved by the City.

To ensure effectiveness of social equity programs, we recommend that the Chief Administrative Officer request that Council:

9. Increase transparency by distinguishing between groups subject to social disparity (minority-owned and women-owned businesses) and other certified businesses (emerging small businesses) wherever applicable in data analysis, City Code, Council directives and City records.
10. Review social equity programs to ensure that the City's investment is specific to groups that have been subject to disparate treatment.
11. Direct Procurement to track which types of certified businesses are benefitting from social equity programs. Review regular reports on progress toward the City's stated aspirational goals and outcomes to address identified disparities.

To reduce and manage risks associated with contracting, we recommend that,

Chief Administrative Officer should:

12. Review the adequacy of internal controls, and to monitor and report measures of performance in achieving City objectives.

Chief Administrative Officer should require Procurement to:

13. Ensure data reliability and completeness for purchasing activity analysis, performance measurement, and regular reporting.
14. Develop an overall risk management plan consistent with public contracting best practices.
15. Develop meaningful and practical performance measures at the appropriate reporting levels to demonstrate how Procurement meets Council's key objectives.

Objective, scope and methodology

The objective of this audit was to evaluate the level of control and oversight Procurement performs to meet State requirements and other City objectives for the division. Although bureaus and City Council also have significant roles in City contracting, we focused our audit on Procurement due to its central role. We expected that work on this audit might help identify risks in specific bureaus to address in future audits.

We examined a variety of resources to gain an understanding about Procurement and its operations within the context of the Office of Management and Finance. These records included strategic plans, budgets, annual reports, past internal and external reviews, and our past audits of City contracts. We also reviewed applicable best practices in public contracting.

To accomplish our audit objectives, we analyzed State and City legal requirements for City contracting. We also compiled other resources to identify objectives for Procurement specifically, and City contracting generally. We reviewed Council records, City policies, administrative rules, contracting manuals, and training curriculum. As part of this work, we also analyzed management controls in place for the different contracting processes used to meet these City objectives.

We interviewed Procurement managers and staff responsible for performing the centralized purchasing activity of the division. Given the decentralized aspects of City purchasing, we also spoke with purchasing specialists in other City bureaus. Since various authorities may be involved in purchasing processes, we also interviewed officials from City Council, Office of Management and Finance, Office of the City Attorney, and Office of the City Auditor – Contracts Unit.

We obtained and reviewed available City procurement information across multiple data systems. We focused on the four-year period (fiscal years 2010 through 2013) which reflected complete and available financial activity from the City system at the time we began our audit fieldwork. When applicable, we observed demonstrations and requested available records on how this information was collected, analyzed and reported.

We performed extensive reliability tests on City procurement data to assess the effectiveness of information system controls and whether we could use the data in our analysis of Procurement's management.

In the absence of reliable aggregate data, we judgmentally selected and assessed risk for individual solicitations and contract records. For example, we reviewed and analyzed examples of Construction Manager/General Contractor construction contracts and reviewed Council agendas to identify sole source solicitations.

Auditing standards require auditors to be structurally independent of the audited organization to avoid any actual or perceived relationship that could impair the audit work performed or findings reported. The City Auditor is responsible under City Charter to conduct audits of the City, which are performed by the Audit Services Division. The City Auditor's role also includes affirming that City contracts are duly authorized. This work is conducted by a Contracts Unit separate from the Audit Services Division. Given this audit's scope and focus on Procurement's activities, we do not believe the City Auditor's responsibility over the Contracts Unit and its specific activity constitutes a threat to our independence.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX

Figure A City of Portland contracting steps for major competitive contract *

	Legal authority	Task responsibility
1. Identify project need and budget	Council approves budget, authorizing steps 2 and 3.	Bureau plans and budgets work, initiates solicitation needed after budget approval. Bureau estimates contract cost.
2. Solicit bids or proposals	Procurement creates forms and processes for bureau use, under Council’s delegated authority and specific policies (social equity, sustainability). Prepares parts of some solicitation packages	Bureau prepares solicitation packages, including all technical input. Procurement checks conformance to City policies and advertises solicitation. Procurement manages changes to the advertised solicitation with bureau input.
3. Evaluate bids or proposals to award contract	Procurement and Bureau selects bid or proposal for award based on selection criteria.	Bureau follows process created by Procurement Officer. Procurement recommends minority evaluators for proposal evaluation committee, if needed. Procurement Officer resolves protests.
4. Negotiate contract	City Code allows negotiation, and at times Council directs Procurement Officer to negotiate and award.	Code and guidance not clear whether Bureau or Procurement leads negotiation.
5. Award and execute contract	Council or Procurement Officer executes contract, depending on amount and Council delegation. Auditor verifies that signers are legally authorized.	Attorney reviews contract to verify valid form. Auditor records executed contract.
6. Manage contract (contract administration)	Bureau manages contracts.	Bureau identifies bureau Project Manager. Procurement manages contracts and price agreements used by more than one bureau. Procurement tracks contractor compliance with social equity requirements.
7. Amend contract, if needed	Council authorizes by ordinance, or Procurement Officer authorizes based on prior delegation from Council.	Bureau requests contract amendment or construction change order.

* Over \$100,000 Construction or Professional Services, or \$150,000 Goods & Services. Steps for any exceptions to competitive solicitation (e.g. sole source, emergency, direct contracting) are not reflected in figure.

Source: Audit Services Division analysis of City Code and policy.

Figure B Authority of Chief Procurement Officer to impact the level of contract competition

	Action	Limit
Contract	Award and execute contracts and price agreements	Up to \$500,000 for: <i>Construction</i> <i>Goods and Services</i> Up to \$100,000 for: <i>Professional services</i>
	Find that sole source purchase is justified	\$500,000 or less for: <i>Goods and Services</i> \$100,000 or less for: <i>Professional services</i>
	Declare emergency, authorize emergency contract	Under \$150,000
	Require performance bond, payment bond, or both	Up to amount of contract
	Determine prequalification status of applicants, for eligibility to bid on public improvement contracts	
	Direct use of alternative contracting method such as Construction Manager/General Contractor	
	Approve extension of expired or terminated contracts for professional services (new in 2013)	Within one year after expired or terminated
Amendment	Amend contract value	Up to 25 percent of initial contract amount Over 25 percent if amended amount not over \$500,000
	Amend price agreement value	Up to \$500,000 per year
	Amend to extend contract duration, and other no-cost changes	Five years
Process	Recommend larger contract awards by report to Council	Over \$500,000 for: <i>Goods and Services</i>
	Adopt procurement forms, procedures and rules for purchases	
	Classify services as professional services	
	Require any needed changes to solicitations for professional services	Over \$100,000
	Withhold approval of bureau's professional services proposal evaluation	Over \$25,000
	Authorize final contract payment	Up to amount Officer can award and amend
Protests	Determine validity of protests of solicitations, awards, and prequalification denial. Respond for City or refer to Procurement Board of Appeals	
	Establish procedures for Board of Appeals	
	Choose (limit) appeals referred to Board, and subsequently to Council	
	Impose fees on protestor to defray costs of appeal	Fee refunded if protestor prevails in appeal
Other	Perform additional duties under general law (unspecified)	

Source: City Code

RESPONSE TO THE AUDIT



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

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June 8, 2015

To: Mary Hull Caballero, City Auditor
From: Fred Miller, Chief Administrative Officer
CC: Drummond Kahn, Director of Audit Services
Ken Rust, Chief Financial Officer
Christine Moody, Chief Procurement Officer
Subject: City Procurement Audit

Thank you for providing the Office of Management and Finance the opportunity to respond to the City Procurement Audit. OMF is committed to continual improvement and will make use of the information and input provided by this audit. As noted in prior discussions with your office, the review and response schedule established for the final draft was challenging for OMF. Many of OMF's senior leadership team with integral management and oversight responsibilities for the City's procurement services had long-standing out-of-office plans in the early June timeframe. Consequently, our review comments and responses are largely based on prior communications with your office and an abbreviated review of the final draft.

In that review we have found that our extensive technical comments to the working internal advisory communication (IAC) draft resulted in only a few minor changes to the final audit report. We are concerned that by disregarding much of this information, readers of the report could reach conclusions about the City's contracting processes and programs that are misleading or incorrect. Additionally, during the two year course of this audit, OMF provided your office with extensive documentation and information, clarifications and comments about the City's procurement and contracting activities. We also invested a significant amount of time analyzing and explaining substantial data in order to provide a more comprehensive picture of the City's procurement processes and contracting results. Again, much of that work does not seem to be appropriately captured in the final report.

The audit report identified potential role conflicts faced by Procurement Services staff. OMF's emphasis on customer service was specifically identified as conflicting with providing leadership, policy development, oversight and procurement management. To the contrary, we consider this a "both/and" situation. Procurement Services staff provide information and services that meet the immediate, everyday needs of the bureaus, while at the same time helping the City maintain compliance with City Code and State law. They guide bureau customers to a preferred solution that will fit within overall City objectives and policies. They support bureaus and help them achieve their goals, within the limits of contracting rules. They work to achieve the best value for the City, conserving City resources through competition and meeting broader City sustainability and equity goals.

An Equal Opportunity Employer

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

We are also concerned that the inclusion of a small number of subjectively selected examples taken out of context of the City's overall procurement efforts are not representative of the work performed by Procurement Services and will be materially misleading to readers. Choosing six examples out of over 2,000 contracts is not a true representation of the levels of competition or risk mitigation that is performed on a routine basis. Additionally, because the audit focused on the number of contracts in SAP, there was little or no review of the actual contracting files to see what risk mitigation was conducted, preventative actions taken or corrections made. In addition, our review of those same six examples does not support the conclusions as written in the audit report.

We are gratified that Audit Services found no instances of mismanagement or fraud and the audit only references situations that "may" or "could" result in risks or oversight gaps. As we discussed at the exit interview, we find some worthwhile information in the audit report, but most of the recommendations lacked meaningful suggestions to be acted upon or specifics regarding what should be attained.

Based on the information provided in the report, below is a summary of actions that OMF is committed to taking in response to this audit.

Improve and Maintain Data Collection, Analysis and Reporting

OMF recognizes that there are areas in which the City's contract tracking can and should be improved. A Procure-to-Pay project with staff from the Enterprise Business Solution team is underway and will be looking at ways to track specific contract types and costs more effectively within the SAP financial system. This will ensure better data management and integration, consistency and improve reporting capabilities.

Analyze Information on Non-Competitive Purchasing Activity

In addition to the sole source and emergency contract reports, OMF will work with City Council to provide additional reporting information should they be interested in it. Additionally, over the past year Procurement Services has been working to move paper files to shared electronic files. Once fully implemented, all completed files will be moved to TRIM thereby allowing others easier access to view procurement justifications or to see what competitive actions have been taken.

Track Types of Certified Businesses Benefitting From Social Equity Programs

Procurement Services has just completed a successful implementation of a solicitation and project tracking software solution. In the coming year, a second project for compliance software that will track M/W/ESB utilization and workforce reporting will be initiated.

Review and Evaluate Performance Measures

As stated in the report, Procurement Services' performance measures are related to social equity programs. OMF will circle back with City Council and the City Budget Office to understand if these measures are still relevant to what should be monitored or if there are other measures that City Council would find more meaningful.

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City Procurement: Contracting process needs Council intervention

Report #446A, June 2015

Audit Team: Beth Woodward, Tenzin Choephel,
Molly Luettgerodt, William Suarez

This report is intended to promote the best possible management of public resources. This and other audit reports produced by the Audit Services Division are available for viewing on the web at: www.portlandoregon.gov/auditor/auditservices. Printed copies can be obtained by contacting the Audit Services Division.

Mary Hull Caballero, City Auditor
Drummond Kahn, Director of Audit Services

Other recent audit reports:

Surplus Real Property: Policy, central management, and inventory of real property holdings needed (#461, April 2015)

City Attorney's Office: Good practices in place; next steps include strategic plan, measures, and post-contract evaluations (#459, March 2015)

Police Training Division: Progress made, but evaluating impacts on officer performance must be improved (#457, March 2015)

