

December 2015

PROBLEM

In 2013, Ikaso issued a report on state procurement practices and experiences of procurement staff. This report suggested that Oregon state government may be able to reduce liability issues for the state and align the level of review and monitoring of contracts with their risk level by developing and using effective risk guidelines.

SCOPE

The rules and procedures used by all agencies for determining risk and setting risk-related limits during the procurement process. This includes how the level of risk is determined, when and how risk experts become involved in the process, and what triggers the need for legal sufficiency review. Also included is how agencies can avoid unnecessary risk aversion and tailor insurance and risk-related limits to better meet business needs.



This project did not include the creation of standard risk assessment tools.

APPROACH

The Improving Government Steering Team sponsored this effort as a sub-project within its procurement improvement project. The project team included agencies with procurement authority delegated from the Department of Administrative Services (DAS), agencies with independent procurement authority, DAS procurement staff (policy and service), DOJ, relevant stakeholders and others.

The team reviewed the existing processes and rules used to determine risk and set risk-related limits. Research of best practice and the knowledge and experience of subject matter experts across the state was collected and reviewed to select the best practices for state agencies. This information was compiled into a broad guideline with an appendix that provides risk related examples for a variety of situations. This guide supports a structured risk process to increase consistency in managing procurement risk within agencies.

OUTCOMES

- The team developed a Procurement Risk Management Guide, with an appendix of examples specific to Oregon procurement. The guide has been published and distributed to the procurement community and will be incorporated into the Procurement Manual webpage in early 2016.
- A survey of the procurement community showed that large portions of respondents weren't regularly using available risk resources, and many didn't know they existed. The survey itself introduced these tools to over forty staff and created awareness of existing tools.
- A concurrent project from DAS Risk Management, which collaborated with the project team, created a new Risk Assessment Tool for determining contractor insurance requirements. This was separate from the procurement improvement project, but supports the goal of improving approaches to managing procurement risk.

RESOURCES

Project Team: project manager, business lead and subject matter experts

Timeline: 20 months

Budget: agency resources



NEXT STEPS

The Procurement Risk Management Guide will be edited and reformatted to become a component of the Procurement Manual. The project team will reconvene once complete to ensure the web-based version is consistent with their work.

LESSONS LEARNED

Staff need bite-sized information that can be accessed easily when they need information or have time for training. Formatting, and web design tools can help, but the material must be clear, concise and accessible.

Project Staff

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