

Van Buren Triple
D. Monitoring Assessment Tool - Procurement

Background:

Counties use contracts to procure goods and services for the various programs they administer. This test reviews the processes and internal controls related to contracts. Federal procurement requirements are provided in the grants management common rule, codified for HHS programs at [45 CFR 92.36](#).

The most significant exception to the Common Rule procurement requirements applies to monies from Title XX, the Social Services Block Grant. These monies are subject to the procurement requirements of state and local law.

All procurements with federal monies are subject to [OAC Rule 5101:9-4-02, Standards for Acquisition](#).

Contracts must follow some procurement process, whereas grants or subgrants are not required to be procured with a few exceptions. County family services agencies in Ohio are exempt from procuring contracts awarded to another family services agency or workforce development local area pursuant to [OAC 5101:9-4-07 \(H\), Procurement Requirements](#). In creating this rule, ODJFS provided a blanket waiver for county family services agencies for procurements with their own county sister agencies under authority granted to ODJFS within 45 CFR 92.36 (d)(4)(i)(C).

Please Note: The following OAC provision is not currently included in BMCS procurement plan shells and should be verbally communicated to the client at a minimum. If other issues have been identified with the agency's procurement plan then add this as deficiency to your report comment.

OAC 5101:9-4-07 (B) (6)

(6) Debarment and suspension

(a) CFSA and WDA procedures shall include requirements to ensure that no contracts are entered into with or purchases made from a person or entity which is debarred or suspended or is otherwise ineligible for participation in federal assistance programs under executive order 12549, debarment and suspension, and other applicable regulations and statutes, including 7 C.F.R. part 3017, 29 C.F.R. part 97, and 45 C.F.R. part 76.

(b) CFSA and WDA procedures shall also include provisions that purchases will be made in conformance with section 9.24 of the Revised Code which prohibits the awarding of contracts, paid for in whole or in part with state funds, to a person against whom a finding for recovery has been issued by the auditor of state on or after January 1, 2001, if the finding for recovery is unresolved.

Review Objective:

To determine the extent to which procurement activity is performed in accordance with federal and state statute, federal regulations and state rules.

Procedures:

Van Buren Triple
D. Monitoring Assessment Tool - Procurement

	Program Step	Date/ Initials	Work Paper Reference
1.	Obtain the agency procurement plan. Written acquisition standards are required by OAC 5101:9-4-02 (B) (1) which also provides the applicable CFR by program in section (A) (1).		
2.	Review the agency plan to ensure it contains the requirement elements identified in OAC 5101:9-4-02 , 5101:9-4-07 , 45 CFR 92.36 and any other applicable federal laws. Report deficiencies in the TA report and include these in the section summary for step #9 below.		
3.	Obtain from the agency a listing of contracts and subgrants for the fiscal year(s) included in your review period. This listing may be internally prepared or obtained from the county auditor if such listing is maintained by the county auditor.		
4.	<p>Prepare a narrative of agency procedures/controls related to procurement. (Note: The GSA can serve as this documentation requirement if it is complete and reflective of the agencies actual procurement procedures.)</p> <p>Possible competitive procurements for federal programs include:</p> <ul style="list-style-type: none"> • Small purchase procedures • Sealed bids • Competitive proposals • Noncompetitive proposals <p>See 45 CFR 92.36 (d) (1), (2), (3) and (4) for details on the above types of procurements.</p>		
5.	Inquire as to the types of procurements made during the preceding twelve (12) month period. For each type of procurement made, select one of each type, if applicable, for review. (Small purchase, sealed bids, competitive proposals, and noncompetitive proposals)		
6.	<p>For each type of procurement identified, obtain the documentation maintained by the agency.</p> <p>Possible documentation may include:</p> <ul style="list-style-type: none"> • Invoices; • Advertisements; • Selection criteria/evaluation; • Requests for proposals (RFP)/bid specifications; and • Other relevant documentation; 		

Van Buren Triple
D. Monitoring Assessment Tool - Procurement

	Program Step	Date/ Initials	Work Paper Reference
7.	<p>For each procurement identified, review the documentation to determine whether the agency followed the requirements of 45 CFR 92.36:</p> <p>The following bullet points are some of the significant requirements of the CFR and OAC.</p> <ul style="list-style-type: none"> • Compliance with the regulations specific to the type of procurement. (i.e. 45 CFR 92.36 (d) (1)-(4)) • Contractor's ability to perform successfully; • Cost or price analysis; • Economical practices; • Avoidance of restrictive policies; and • Quality of solicitation. 		
8.	<p>If a prequalification list was used, determine whether the use was consistent with the requirements of 45 CFR 92.36.</p>		
9.	<p>Conclusion:</p> <p>Consider whether there are any instances of non compliance or a systemic problem due to a lack of adequate internal control exists with regards to procurement. If so, make an appropriate notation as an Issue in Auto Audit.</p> <p>Prepare a segment summary to reflect work completed and results of your testing. (Note: An example index/segment summary can be obtained from the Auto Audit Library.)</p>		