*Welcome to LLA Reports, a podcast produced by the Louisiana Legislative Auditor’s office. This podcast is intended to be an oral representation of the written report it highlights and is primarily for the use of the Louisiana Legislature.*

This is Krista Baker-Hernandez. I’m a manager for LLA’s Performance Audit Services. This episode of LLA Reports focuses on our new report titled “Evaluation of Contracts in State Government.”

The purpose of this audit report was to provide information on state agency contracts, and to determine whether the Office of State Procurement – or OSP – is meeting its goal to provide quality and timely services to its user agencies.

We found that, between fiscal years 2016 and 2022, OSP reviewed and approved almost 441,000 contracts totaling $44.6 billion dollars. The Medical Vendor Administration – or Medicaid, the Office of Group Benefits, and the Office of Public Health combined had the highest dollar amount of professional, personal, consulting, and social services contracts at $24.3 billion dollars.

State law allows OSP to delegate authority to state agencies to enter into contracts that are below a certain amount or that meet other criteria. From fiscal years 2016 through 2022, agencies used this delegated purchase authority for more than 14,500 contracts totaling approximately $3.3 billion dollars. However, OSP does not have a process in place to monitor agencies to ensure they don’t exceed their delegated purchase authority.

We also found that, in fiscal year 2022, the average time for OSP to complete the Request for Proposals process was 286 days, which is higher than the office’s internal goal of 232 days. In addition, OSP does not routinely track how long a Request for Proposal spends at each individual review point so it cannot easily identify where delays occur.

We found, too, that OSP uses multiple data systems and applications to manage its procurement activities, which creates inefficiencies in the process.OSP officials agreed a single platform would be more efficient, but said they have limited control over the state’s eProcurement system.

Best practices recommend evaluating contract vendors on an annual basis. However, Louisiana law only requires agencies to evaluate contract vendors at the end of the contract. We found OSP does not review evaluations or work with agencies to ensure the evaluations have the information needed to adequately document a vendor’s performance and comply with the intent of the law.

Additionally, we found that employee turnover at OSP may affect the efficiency of the procurement process because inexperienced analysts are not as familiar with state procurement rules and regulations. Between fiscal years 2016 and 2022, turnover ranged from 13 percent to 21 percent.

According to the National Association of State Procurement Officials, customer service to agency stakeholders and training and certification are among the top 10 priorities in state procurement. The state agencies we surveyed as part of our audit reported that OSP could improve its communication and the training it provides to user agencies.

As a result of our report, we developed eight recommendations and one matter for legislative consideration.

We suggested the Legislature add language to existing legislation to require agencies to provide OSP with more specific information related to contract performance over the course of a contract.

We recommendedthat OSP develop a review process to identify when contracts have irregularities or when there are multiple contracts with one vendor that fall just within an agency’s delegated purchase authority to help ensure compliance with the Procurement Code.

We also recommended that OSP implement a more comprehensive review of agencies that have a history of noncompliance with their delegated purchase authority.

In addition, we recommended that OSP track the amount of time requests for proposals spend at individual review points, develop a single platform to streamline the number of data systems used for its procurement activities, and work with agencies to ensure contract evaluations contain all elements, as required by statute.

We recommended as well that OSP continue its standardization of staff training, and develop formal, consistent mechanisms to collect feedback about its services and create a customer complaint/feedback repository.

Finally, we recommended that OSP develop a collaborative process to work with state agencies to ensure that appropriate staff receive the necessary training or communications, including when new requirements, templates, or software are implemented.

As part of its response, which is included in the report as Appendix A, OSP agreed with seven of our recommendations and disagreed with one recommendation.

*We hope you found this podcast informative, and that you’ll follow future episodes of LLA Reports.*

*This podcast was created as part of the audit report just discussed and is intended primarily for the use of the Louisiana Legislature. Both the full report and the podcast can be found on the LLA’s website at* [*www.lla.la.gov*](http://www.lla.la.gov)*.*

*Thank you for listening.*