



# OAG

Office of the Auditor General

## Report Summary

### *Performance Audit*

### *Statewide Contracting Practices for Commodities and Professional Services Central Procurement Services (CPS) Department of Technology, Management, and Budget (DTMB)*

**Report Number:**  
**071-0142-19**

**Released:**  
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CPS sets forth policies and procedures for purchasing across all State agencies. CPS is responsible for the purchasing and contracting of all goods and services for State agencies, unless the Legislature provides for direct agency purchasing. Although CPS manages all aspects of high-dollar, complex contracts, it delegates purchasing authority to State agencies for commodity and professional service contracts up to \$500,000. CPS's mission is to provide State agencies with the mechanism to purchase the products and services required to serve citizens on time, of good quality, and at a reasonable price. As of September 30, 2020, CPS had 59 full-time equated positions and managed 615 commodity and professional service contracts that totaled \$77.9 billion, while overseeing 9,480 contracts managed by State agencies that totaled \$1.3 billion.

Audit Objective			Conclusion
Objective 1: To assess CPS's compliance with selected laws, rules, and regulations related to solicitations, contracts, and change notices.			Complied, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
CPS staff did not always comply with requirements when developing and executing contracts and change notices, including ensuring appropriate insurance coverages and allowing vendors 14 days to participate in solicitations ( <a href="#">Finding 1</a> ).		X	Agrees
CPS did not obtain or retain 55 (34.0%) of 162 staff annual disclosure of interest statements from 2017, 2018, and 2019 ( <a href="#">Finding 2</a> ).		X	Agrees

Audit Objective			Conclusion
Objective 2: To assess the effectiveness of CPS's efforts to monitor State agency compliance with delegated purchasing authority requirements.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.		Not applicable.	

Audit Objective			Conclusion
Objective 3: To assess the effectiveness of CPS's efforts to monitor vendor performance.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
CPS did not obtain corrective action plans for 8 (72.7%) of 11 major contract issues and was unable to provide documentation of its involvement with resolution efforts for 5. Also, CPS did not ensure program managers had documented 5 of the issues in contract monitoring reports as required ( <u>Finding 3</u> ).		X	Agrees
Agency staff had not submitted 7.4% of required monitoring plans, and 21.0% of those submitted were not signed or dated. All 8 of the monitoring plans we reviewed had incomplete descriptions of required components and/or had insufficient descriptions of specific monitoring activities. In addition, 80.0% of the monitoring reports that were due had not been submitted and were between 17 and 108 days past due ( <u>Finding 4</u> ).		X	Agrees
Agency staff did not have Statewide access to vendor performance information to identify when vendors had previous contracts terminated for cause, and CPS had not timely updated the vendor performance information it made available to agency staff to help when deciding to contract with vendors ( <u>Finding 5</u> ).		X	Agrees

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Phone: (517) 334-8050

Office of the Auditor General  
201 N. Washington Square, Sixth Floor  
Lansing, Michigan 48913

**Doug A. Ringler, CPA, CIA**  
Auditor General

**Laura J. Hirst, CPA**  
Deputy Auditor General