

2009-114 AUDIT SCOPE AND OBJECTIVES—Department of General Services' Procurement Practices

The audit by the Bureau of State Audits will provide independently developed and verified information related to the impact that DGS's strategic sourcing contracting practices have on California, small businesses, and DVBEs and would include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Evaluate procedures used by DGS in establishing strategic sourced contracts including any changes DGS has made to these procedures since 2004.
3. Determine how DGS ensures that small businesses and DVBE are given an equitable opportunity to be chosen as a strategic sourced contractor.
4. Review and evaluate the policies and procedures used by DGS to ensure compliance with contract terms of strategic sourced contracts.
5. If DGS tracks the number of strategically sourced contracts awarded to small businesses and DVBEs, calculate the ratio by identifying the following:
 - (a) The number of small businesses and DVBE included in strategic sourced contracts since implementation of the strategic sourcing initiative.
 - (b) The total number of strategic sourced contracts since its implementation.
6. Determine the number of DVBE contracts for the two years prior to the implementation of strategic sourcing and compare these numbers to the numbers of DVBE contracts since strategic sourcing.
7. To the extent feasible, compare the number of strategic sourced contracts to the total number of contracts entered into by the State for fiscal years 2007–08 and 2008–09.
8. Select a sample of small, medium, and large strategically sourced contracts awarded and determine the following:
 - (a) If the justification for the contract met applicable and established criteria.
 - (b) If DGS followed applicable laws, regulations, and policies and procedures when entering into the contracts.
 - (c) How DGS evaluates contractor compliance with CUF laws.

9. Review and assess DGS's process for evaluating and estimating the benefits to the State of strategic sourced contracts and identify the frequency of such analyses.
10. Determine whether DGS compares the ultimate cost of the strategically sourced contracts against preliminary estimates of cost savings from its analysis.
11. To the extent possible, trend the number of staff in the Procurement Division since the inception of the strategic sourcing initiative and determine the reasons for any increases identified.