BACKGROUND

Procurement refers to the act of purchasing, leasing, renting, or otherwise acquiring supplies, services, or capital assets. Procurement also includes each procedure performed or required to enter into and administer a public contract.

State procurement regulations exist to serve many purposes, including:

- instill public confidence through ethical and fair dealing and good faith on the part of government officials and those who do business with government,
- ensure fair and competitive procurements as well as prudent use of public funds, and
- allow impartial and open competition, protecting both the integrity of the public contracting process and the competitive nature of public procurement.

PROCUREMENT BASICS

The Oregon Revised Statutes (ORS) that govern contracting and procurement in the state are ORS chapters 279A-C.

- Chapter 279A: Public Contracting - Miscellaneous Provisions
- Chapter 279A – Public Contracting – General procurement rules including intergovernmental agreements.
- Chapter 279B – Public Contracting – Requirements for source selection including sole source and emergency procurements.
- Chapter 279C – Public Contracting - Public Improvements and Related Contracts (Capital Projects) – includes land surveying, construction contracts and more.

DOJ Model Rules – Oregon Administrative Rules, Chapter 137, divisions 45-49. These rules further clarify procurement and contracting responsibilities.
PROCUREMENT FAQ’s

Does a municipality have to follow procurement guidelines when acquiring the specialized skill of an auditor?

Yes. It is best practice to follow guidelines to ensure compliance with statutes. This includes, but is not limited to, soliciting Request for Proposals (RFP), selecting and awarding contracts based on pre-defined criteria, and executing a contract.

Is the engagement letter with our auditor a sufficient contract?

No. An engagement letter outlines the roles and responsibilities and expectations for the audit and is required by auditing standards. Municipalities are required to following contracting rules, including obtaining a proper contract. The executed contract contains several elements that are not included in an engagement letter such as indemnification clauses, insurance requirements, compensation, and more.

What happens if nobody bids on our RFP?

Reach out to potential bidders and solicit interest, review the request to ensure its clear what good or service is being sought, revise and repost if necessary. Consider expanding your search for proposals to a broader geographical region. You may also consider the mobility roster which includes licensed municipal auditors that live in neighboring states.

There is only a single entity within our geographic area that performs this service or has this particular good for sale – do we still have to follow procurement guidelines?

Yes. Documentation is key. Document your determination of why a sole-source procurement was appropriate given the circumstances. See DOJ model rules for additional considerations.

STAY CONNECTED

We receive many requests for information and improved communication targeted to municipal officers and staff. In response, we created an email listing to inform subscribers periodically about changes in Municipal Audit Law, financial reporting requirements, audit standards, and changes to program forms or processes. Sign up for updates at sos.oregon.gov/audits and include “Municipal Audit Program” in your selection.

Questions?

Call our office at (503) 986-2255 or email municipalfilings.sos@oregon.gov