

NEWS RELEASE

Office of Performance Evaluations
Idaho Legislature
954 W. Jefferson St.,
P.O. Box 83720, Boise, Idaho 83720-0055

FOR IMMEDIATE RELEASE

FOR MORE INFORMATION:
Rakesh Mohan, Director
208-332-1470

Meeting Location: Capitol Auditorium
Meeting Time: 4:30 p.m.

Today the Joint Legislative Oversight Committee released its report *Strengthening Contract Management in Idaho*. Legislative evaluators found that although Idaho's framework for developing and awarding large contracts generally aligns with best practices, the framework falls short in two key areas—statewide training and monitoring. As a result, the state may be at risk for issues associated with poorly written or poorly managed contracts, such as delays, additional costs, or unacceptable deliverables. For example, after the state transitioned to a new Medicaid claims processing system, it began processing claims even though several deliverables had not been met. As a result, Medicaid service providers experienced firsthand the negative impacts of a contract that was not properly managed. The study was requested in part to help prevent issues such as this from happening on future contracts.

Evaluators identified ways to strengthen Idaho's contract framework and ensure agency staff are adequately trained to manage the hundreds of millions of dollars that are awarded in contracts each year. They found that just one-fourth of agency contracting staff have participated in training offered through the Division of Purchasing (within the Department of Administration). Survey respondents cited additional training as the one tool most likely to improve their contracting process.

The role of the Division of Purchasing is primarily advisory and generally focuses on contract development and award—agencies are responsible for the daily management of their contracts once awarded. Idaho Code and Administrative Code are silent on the role of proper contract monitoring, which is a critical component of successful contracting. Without guidance on how to properly monitor contracts

once awarded, agencies may not be well equipped to identify potential issues throughout the life of a contract and resolve those issues before they escalate.

The report provides eight recommendations for the division and the Legislature to create a best practices checklist for agencies to use in conjunction with the development of statewide system for training and contract monitoring. However, the report acknowledges that the value of the recommendations will be limited to agencies that are subject to Division of Purchasing requirements; a number of entities, including the Legislature and the Superintendent of Public Instruction, are currently exempt from following division guidelines. The report asks legislators to consider whether all agencies, regardless of their exempted status, be subject to some level of statewide oversight.

The Office of Performance Evaluations, a nonpartisan office of the Legislature, presented its findings to the Joint Legislative Oversight Committee, a bipartisan committee of eight legislators equally divided between the two major political parties and the two houses of the Legislature. The report *Strengthening Contract Management in Idaho* is available on the evaluation office's website at <http://www.legislature.idaho.gov/ope/>.