



AUD #24-51

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Cc: Carrie Steele, Director of Agency Sourcing, State Purchasing Division
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From: Audits, State Purchasing Division

Date: January 10, 2024

Re: Fiscal year 2018 to fiscal year 2023 audit of Cancelled Solicitations on the Georgia Procurement Registry

Background

State entities have broad discretion when it comes to cancelling solicitations. Cancelling a solicitation or other notice may be necessary for a variety of reasons. However, procurement practices and regulations should require that the state entity has a compelling reason for the cancellation of a solicitation and must determine that the cancellation is in the best interest of the state. There is a risk that excessive instances of solicitation cancellations may:

- Impact the state entity's ability to timely receive needed goods, services, or technology, and
- Decrease supplier participation in the competitive bidding processes.

Section 4.8.2. of the Georgia Procurement Manual (GPM) provides the process through which a solicitation may be cancelled by state entities. The cancellation process includes completing and issuing form SPD-SPR014 RFX Cancellation Notice "to include either a description or to document the reason for cancellation."

This form allows the Issuing Officer (IO) to choose from the five types of (competitive) solicitations that may be cancelled, if required:

- Request for Proposals (RFP)
- Request for Quotes (RFQ)
- Request for Qualified Contractors (RFQC)
- Consortia (ACC)
- Sole Source (SS)

The form also allows the IO to select from six prepared descriptions of why the solicitation is being cancelled. The six reasons on the cancellation notice why a solicitation may be cancelled include:

- The need to redevelop requirements.
- Lack of funding or other financial constraints.
- Administrative errors.
- Sustained protest.
- Change in program requirements.
- No bids received.

To ensure that all interested parties are made aware of the cancellation of any solicitation, it is anticipated the notice should be posted to the Georgia Procurement Registry (GPR)¹ where it will be readily accessible.

Audit Objectives

1. How many solicitations that were posted to the GPR in the audit period were cancelled?
2. Which state entities had the highest number of cancelled solicitations?
3. Which IOs had the highest number and percentage of cancelled solicitations?

Audit Summary

In a report obtained from the GPR on October 17, 2023, we reviewed the status of 13,255 solicitations posted in fiscal years 2018 through 2023. We identified 1,576 (12%) of the 13,255 solicitations had been cancelled.

A breakdown of all cancelled solicitations by solicitation process is shown below in **Table 1**.

Table 1
Cancelled Solicitations by Process

Solicitation Process	Number Cancelled	Number of Postings	Percentage of Postings Cancelled	Percentage of Cancellations
RFQ	1,105	7,309	15%	70%
RFP	211	1,336	16%	13%
Sole Source	171	3,748	5%	11%
RFQC	47	366	13%	3%
Consortia	35	585	6%	2%
RFI	6	133	5%	0.4%
Notice	1	14	7%	0.1%
Total	1,576	13,255	12%	100%
Source: Georgia Procurement Registry				

¹ The GPR is the official public site to provide public notice of solicitations and other procurement notices. Some GPR notices link to other systems, such as the electronic bidding tools, PeopleSoft Strategic Sourcing and Jaggaer Sourcing Director, maintained by the Department of Administrative Services. Events posted via Jaggaer do not allow any files to be uploaded directly to the GPR. Therefore, for Jaggaer events the cancellation notice must always be posted in the award notifications section, which is the only place new files can be attached and published after the event closes.

At the state entity level, 82 different entities accounted for the 1,576 cancelled solicitations that were reviewed, this includes 21 individual technical colleges whose data will be combined with the Technical College System of Georgia’s (TCSG) main office whose staff act as IOs for the individual colleges. For review purposes, this audit used data for all state entities in the GPR who appear under the entity type “state”.

Whether the entity (or solicitation) is subject to the State Purchasing Act was not taken into consideration. The impact, and consequences, of cancelling solicitations apply to all state entities. Preparing and posting a solicitation requires considerable time and effort regardless of the type of state entity.

The 10 state entities with 50 or more cancelled solicitations are shown in **Table 2**, along with their percentage of solicitations cancelled for the audit period.

Table 2
Cancelled Solicitations by Top Ten State Entities

State Entity	Number Cancelled	Number of Postings	Percentage of Postings Cancelled	Percentage of Cancellations
Transportation, Department of	455	2,861	16%	29%
Technical College System of Georgia (a)	177	1,506	12%	11%
Georgia Correctional Industries	141	830	17%	9%
Natural Resources, Department of	75	331	23%	5%
Corrections, Department of	65	325	20%	4%
University of Georgia	64	751	9%	4%
Georgia Institute of Technology	40	908	4%	3%
Georgia State University	38	658	6%	2%
Public Safety, Department of	37	212	17%	2%

Source: Georgia Procurement Registry

Notes

(a) Includes the individual technical colleges and the TCSG main office.

There were 24 state entities who had a cancellation rate that was higher than the average rate of 12%. The 10 state entities that had the highest rate of cancellation with 10 or more solicitations cancelled are shown in **Table 3**.

**Table 3
State Entities with Highest Cancellation Rate**

State Entity	Number Cancelled	Number of Postings	Percentage of Postings Cancelled
Driver Services, Department of	18	41	44%
DBHDD	25	99	25%
Human Services, Department of	22	96	23%
Natural Resources, Department of	75	331	23%
Juvenile Justice, Department of	21	99	21%
Corrections, Department of	65	325	20%
Revenue, Department of	13	69	19%
Georgia World Congress Center	23	124	19%
Georgia Correctional Industries	141	830	17%
Public Health, Department of	29	200	15%
Source: Georgia Procurement Registry			

In closing the audit, we also looked at which IOs accounted for the most cancelled solicitations. There were 13 IOs who had 20 or more cancelled solicitations during the audit period. The 13 IOs with 20 or more cancellations accounted for 464, or 29%, of the 1,576 cancelled solicitations.

Recommendations

1. APOs and CUPOs should review their internal solicitation preparation and posting processes to add quality control steps aimed at reducing the number of cancellations. This should include, but not be limited to, peer review of solicitation documentation and the introduction of an APO/CUPO approval step prior to posting the event.
2. When the state entity determines a solicitation must be cancelled, the APO/CUPO should conduct an internal debriefing to determine whether the cancellation could have been avoided and identify any lessons learned to share with procurement staff to improve the likelihood of successfully completing future solicitations.
3. SPD should review all posted SPD-SPR014 RFX Cancellation Notice forms for the two most recent fiscal years to determine which reasons are most often cited for cancelling solicitations.
4. Using the data from Recommendation 3 and this audit, SPD should develop further training that could be provided to assist the state entities and IOs that cancel the most solicitations.