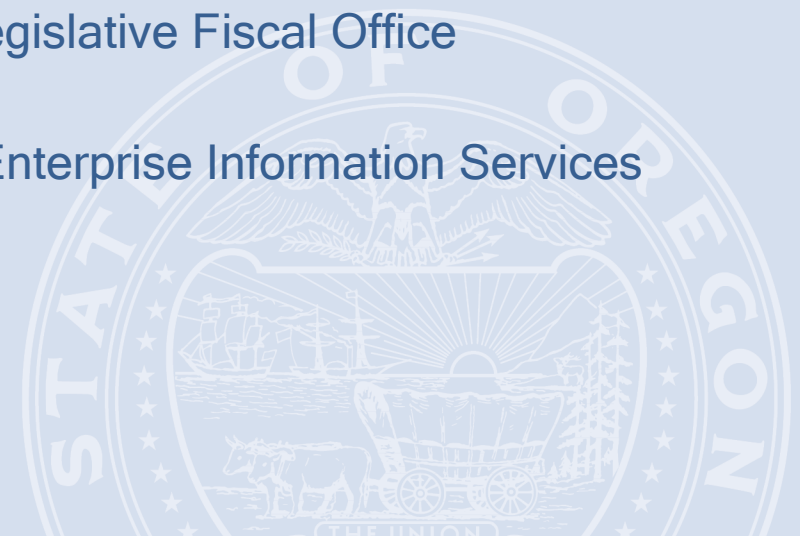


# DPO ADVISORY COUNCIL

November 20, 2024

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# Cost Analysis Requirement (ORS 279B.030)

Chapter 279B – Public Contracting - Public Procurements: [https://www.oregonlegislature.gov/bills\\_laws/ors/ors279B.html](https://www.oregonlegislature.gov/bills_laws/ors/ors279B.html)

- 279B.030 (1) Except as provided in ORS 279B.036, before conducting a procurement for services with an estimated contract price that exceeds \$250,000, a contracting agency shall:
  - (a) Demonstrate, by means of a written cost analysis in accordance with ORS 279B.033, that the contracting agency would incur less cost in conducting the procurement than in performing the services with the contracting agency's own personnel and resources; or
  - (b) Demonstrate, in accordance with ORS 279B.036, that performing the services with the contracting agency's own personnel and resources is not feasible.
- (4)(a)(A) A state contracting agency that conducts a cost analysis in accordance with ORS 279B.033 or makes a determination under ORS 279B.036 in connection with a procurement for services related to information technology, as defined in ORS 291.045, shall provide the State Chief Information Officer and the Legislative Fiscal Office with copies of the final cost analysis the state contracting agency prepared under ORS 279B.033 or the final determination the state contracting agency made under ORS 279B.036.

# Feasibility Determination, Cost Analysis and Department Report (OAR 125-247-0110)

The screenshot shows the Oregon Secretary of State website. The header includes the Oregon Secretary of State logo and name, LaVonne Griffin-Valade. A navigation bar contains links for Home, Business, Voting, Elections, State Archives, and Audits. The main content area is titled "Department of Administrative Services" and "Chapter 125". Below this, it lists "Division 247 PUBLIC PROCUREMENT OF SUPPLIES AND SERVICES" and "125-247-0110 Feasibility Determination, Cost Analysis and Department Report". A list of sections follows: (1) The Table of Contents for this Rule is as follows: (a) Section 2: Generally, (b) Section 3: Feasibility Determination, (c) Section 4: Cost Analysis: Estimation of Agency and Contractor Data, (d) Section 5: Decision: Comparison of Compensation and Other Costs, (e) Section 6: Decision: Comparison of Agency and Contracting Costs, (f) Section 7: Department Evaluation and Report. (2) Generally. (a) Before conducting a Procurement for Services, a State Contracting Agency, as defined in ORS 279A.010, (for purposes of this Rule, Agency) must, in the absence of a Feasibility Determination under Section (3) of this Rule, conduct a Written Cost Analysis under sections (4) through (6) of this rule (Cost Analysis). (b) Responsibilities for the Conduct of the Cost Analysis. (A) An Agency with Authority must conduct the Cost Analysis for its Agency-specific Procurements; (B) An Agency without Authority must conduct the Cost Analysis for its Agency-specific Procurements to be procured by the Department; (C) At the Department's request, an Agency must contribute to the Cost Analysis for statewide Price Agreement Procurements.

## OAR 125-247-0110

<https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=309616>

- The rule establishes the requirements to do a feasibility determination and if it is determined to be feasible to use internal staff..... a cost analysis will be done. If it is not feasible to be done with existing staff the cost analysis is not required to be completed.
- Key points in the last sections of this rule requiring copies of the IT related feasibility determinations/cost analysis docs to also be provided to LFO and the State CIO.

# Questions?

**Legislative Fiscal Office**

900 Court Street NE, Room H-178, Salem, Oregon 97301

Oregon State Capitol | (503) 986-1828 | [www.oregonlegislature.gov/lfo](http://www.oregonlegislature.gov/lfo)



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