



STATE OF CONNECTICUT
OFFICE OF GOVERNMENTAL ACCOUNTABILITY
STATE CONTRACTING STANDARDS BOARD

Draft Minutes

Friday, October 13, 2017 Meeting of the State Contracting Standards Board
Audit Work Group
Fifth Floor Conference Room
18-20 Trinity Street, Hartford, Connecticut

Members Present:

Thomas Ahneman, Chair

Alfred Bertoline

Jean Morningstar

Robert Rinker

David L. Guay, Executive Director - ex-officio Board member

1. [Call to order](#)

Meeting called to order by Chair Thomas Ahneman at 9:01 A.M.

2. [Approve minutes of September 8, 2017](#)

Motion made by Robert Rinker and seconded by Jean Morningstar to approve the minutes of the September 8, 2017 Audit Work Group meeting. All voted in favor.

3. [Progress Review](#)

Chair Ahneman asked Robert Rinker to present his review of the State Department of Education (SDE). Mr. Rinker presented his review using the draft Audit Report template he created at the request of the Audit Work Group.

Background:

Agency: State Department of Education (SDE)

Date of Self-Assessment Requested by the State Contracting Standards Board:

- First request – March 31, 2017
- Second request – May 17, 2017

Response Date: May 18, 2017

If no response: Not applicable

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Summary of Self-Assessment

Number of contracts: 202 (1)

Number of contracts on State Contracting Portal: Some, but not all.

Number of contracts that were competitively bid: 25

Number of contracts that were single sourced: 0

Number of contracts that were sole sourced: 122

Number of contracts less than \$50k for goods and services: 107

Number of contracts that met the definition of a privatization contract: 0

Number of contracts that met the definition of a privatization contract and a cost benefit analysis were conducted: 0

Number of contracts that required a cost effectiveness evaluation: N/A (2)

Agency procurement standards: Yes, the procurement standards were attached to SDE's submittal to the SCSB.

Evaluation team selection and composition: Evaluation teams are approved by the Chief of the Division. Evaluation teams include state employees of other state agencies and have utilized non-state employees.

Challenging aspects of competitively bidding contracts: The agency must rely on program/project staff to be engaged in bidding process. All contracts are to be reviewed by and approved by Legal Office prior to execution. Agency indicates that this is a time consuming process for its limited staff.

Use of BizNet for electronically submittal of bids: No.

Staff assigned to procurement: 4

Training of staff assigned to procurement: Staff are required to attend training as offered by various state agencies. It was noted that only one staff person was assigned to contracts out of the four.

Findings and Questions raised by self-assessment:

- (1) It appears that the listing of contracts did not include CTHSS contracts. It also appeared that the contract(s) for IT services were also not listed.

- (2) The agency indicated that a cost effectiveness evaluation was not applicable. It appears that a number of contracts would require a cost effectiveness evaluation. Why would no contracts require a cost effectiveness evaluation?
- (3) SDE list four types of contracts:
 - a. BUA – this contract is not defined in SDE’s procedure manual. There are 33 types of these contracts. The largest contract was for \$8 million to the Regents of California for a smarter balance at UCLA.
 - b. MOU – Memorandum of Understandings – There are 22 MOUs. The largest was for \$35 million to the State Education Resource Center (SERC). Is the \$35 million to SERC to support services that can be provided by the SDE? Is the \$35 million used by SERC, a 501(c)(3) non-profit organization, to award contracts that would otherwise be under the preview of the SCSB?
 - c. PSC – (not defined), are these the 25 contracts that went through a competitive process resulting in a Personal Services Agreement? The largest was to the American Institutes for Research for \$15.2 million.
 - d. PSN – (not defined) are these the 122 contracts that did not go through a competitive process resulting in a Personal Services Agreement. The largest contracts were for \$6.4 million to Capital Region Education Council for transportation services, \$4.5 million to Center for School Change for developing the State education strategy specifically development of high performing school districts, \$3.9 million to American Institutes for Research for smart balance. Why is one contract to the American Institutes for Research competitively bid and another not competitively bid?
- (4) As noted in their self-assessment, there appears to be some deviation from the stated procedures, what is the SDE doing to insure compliance?
- (5) Does the SDE look to non-competitively bid contracts because of limited resources? Do the same limited resources reflect the lack of cost effectiveness evaluations?

4. [CT Technical High School System Contracts – Pita Group & Kozak & Salina](#)

Executive Director Guay indicated that the letter approved by the Board and the Work Group requesting further information went to the State Department of Education on October 11, 2017.

Chair Ahneman asked Carol Wilson and Erin Choquette of the Department of Administrative Services to join the work group for a discussion of the SDE and the Pita Group and general contracting policy. A copy of the Department of Administrative Services notice of termination to the Pita Communications LLC was provided to the work group.

5. [Other Business](#)

The work group agreed to complete an Audit Report Form for their assigned agencies before the next meeting, scheduled for 8:30 A.M., November 3, 2017.

6. Adjournment

Motion made by Robert Rinker and seconded by Alfred Bertoline to adjourn. All voted in favor, the meeting was adjourned at 9:59 A.M.

Respectfully submitted: David Guay