



STATE OF CONNECTICUT
OFFICE OF GOVERNMENTAL ACCOUNTABILITY
STATE CONTRACTING STANDARDS BOARD

Final & Approved
Minutes
Friday, April 13, 2018 Meeting of the State Contracting Standards Board
Audit Work Group
Fifth Floor Conference Room
18-20 Trinity Street, Hartford, Connecticut

Members Present:

Robert Rinker, Acting Chair
Alfred Bertoline
Stuart Mahler
Jean Morningstar
David L. Guay, Executive Director - ex-officio Board member

1. [Call to order](#)

Meeting called to order by Acting Chair Robert Rinker at 9:00 A.M.

2. [Approve minutes of April 10, 2018](#)

Motion made by Alfred Bertoline and seconded by Stuart Mahler to approve the minutes of the April 10, 2018 Audit Work Group meeting as corrected. All voted in favor.

3. [2017 Audit interviews - update](#)

Chair Rinker initiated discussion on the next meeting of the Audit Work Group scheduled for Tuesday, April 17, 2018, noting that the only scheduled agency is the Department of Social Services (DSS) at 9:00 A.M. Executive Director David Guay noted that if the Work Group today approves a preliminary compliance report for the Department of Developmental Services (DDS) would be the second agency for Tuesday, April 17, 2018 interviews. Mr. Guay noted that it would be a very unfair and short time frame for DDS. Mr. Guay also noted the State Department of Education scheduled for Noon on Tuesday, April 17, 2018.

Alfred Bertoline questioned what happened to the other agencies. Mr. Guay explained that the Department of Transportation has not responded to the audit, and we have not heard from the Department of Children and Families (DCF) and the Department of Mental Health and Addiction Services (DMAS) concerning the scheduled audit interview.

Chair Rinker noted that the State Department of Education is in discussion with Mr. Guay concerning the Board's actions under Section 4e-7 C.G.S., suggesting that the discussions should be a priority before conducting an audit interview.

Chair Rinker proposed postponing Tuesday's interviews to a date certain. Chair Rinker noted that DDS is a major purchaser of Purchase of Service Agreements also noting that DDS produced cost effectiveness evaluations (CEEs), which he would like the work group to review. Chair Rinker further noted that DDS had a large number of sole source contracts.

Motion made by Jean Morningstar and seconded by Stuart Mahler to communicate to the Department of Transportation that the audit response must be provided to the Work Group by May 4, 2018. If the audit response is not received the Work Group will have no choice but to label the DOT as noncompliant. Further May 8, 2018 is set as the new date for the postponed interviews. All voted in favor.

4. [Review Department of Developmental Services draft Compliance Report](#)

Motion made by Stuart Mahler and seconded by Jean Morningstar to recommend preliminary approval of the compliance report for the Department of Developmental Services pending an opportunity for the Department to reply or interview with the Work Group. All voted in favor.

5. [Other Business](#)

Chair Rinker opened discussion on reflections from the audit interviews conducted on Tuesday, April 10, 2018. Mr. Bertoline offered his reflections and thoughts first by offering his thoughts in a spread sheet of observations and a suggested approach.

Mr. Bertoline led off with a chart attempting to reconcile on a global scale the numbers of contract types and the responses to whether the agency performs cost effectiveness evaluations. Mr. Bertoline made a note of the column indicating the total percentage of competitively bid contracts which ties into the same numbers from the Office of Policy and Management (OPM).

Mr. Bertoline outlined his observations:

- Amounts reported difficult to reconcile
- Overall, competitively bid contracts tie to OPM report – 73% are not competitively bid – coincidence?
- Do not have good data on under \$50k/\$10k as percentage of total
- Should we get further breakdown on why contracts were not bid, i.e quality based selection, no bidders, other?
- No one is doing cost effectiveness evaluations
- Need some clarification on requirements for under \$50k versus under \$10k.

18-20 Trinity Street – Hartford, Connecticut 06106

Telephone (860) 947-0706

www.ct.gov/scsb

An Equal Opportunity Employer

Mr. Bertoline outlined his suggested approach:

- Go back to the agencies with a request for additional information
 - Clearly reconcile their contracts to the categories in the chart
 - Provide the agencies with the provisions of the Statutes regarding noncompetitive procurement
 - Provide the agencies with the provisions for cost effectiveness evaluations and ask them to justify non-compliance
 - Request agency input on unclear interpretations in complying with the regulations on procurement

Mr. Bertoline's outline initiated discussion on the shortcomings of the audit instrument and clear definitions and what we asked for in the self-audit.

Mr. Mahler added his concern about the failure to complete cost effectiveness evaluations. Mr. Mahler also expressed his dissatisfaction with not having either our own attorney or an Assistant Attorney General in attendance at our meetings.

Ms. Morningstar added that her reflection was similar to Mr. Bertoline's. Mr. Morningstar agreed with the polished presentations, and expressed concern for details. Ms. Morningstar also expressed concern for the lack of competitive bidding. Ms. Morningstar expressed frustration that being a good steward of tax payer dollars isn't a higher priority, which is further expressed in the lack of cost effectiveness evaluations.

Ms. Morningstar expressed that it is clear to her that we need to advocate harder for more staff.

Mr. Mahler added that training would have gone a long way in helping agencies.

Mr. Guay expressed his observations on the audit instrument and the need to improve.

Chair Rinker added his reflection that the audit instrument clearly needs to be refined. Chair Rinker expressed he is still open to what a final report will look like and is helpful to the agency. Competitive versus non competitive is a concern.

Chair Rinker offered that there are three points on the cost effectiveness evaluations. The first is I didn't know we had to do it, the second is legally we don't have to do it, the third is that it is too hard to do, so we don't do them.

Chair Rinker also believes there is a misunderstanding about the cost effectiveness evaluations and master contracts that if you use a master contract you don't need to do a cost effectiveness evaluation.

Chair Rinker noted an interesting item from the Connecticut State Colleges and Universities and how they ask vendors off a master contract to give them a better deal.

Chair Rinker summarized that the presentations were great, but if we had the audit staff we could go back to the agency and ask can you show us.

To summarize Chair Rinker indicated we have the meeting on May 8, 2018 with further interviews and the opportunity to revisit our reflections to determine our next steps.

Chair Rinker listed the areas identified as concerns:

- The audit instrument
- More information for the final report
- The issue of competitive versus non competitive
- The cost effectiveness evaluations

Chair Rinker noted a bill that came out of the Government Administration and Elections Committee that would require our audit compliance reports to be filed with the Legislature.

6. Adjournment

Motion made by Jean Morningstar and seconded by Alfred Bertoline to adjourn. All voted in favor, the meeting was adjourned at 9:55 A.M.

Respectfully submitted: David Guay