



State of Connecticut

Office of Policy and Management

OPM Procurement Reform Initiative Update

March 2021

OPM Procurement Reform Context

In August of 2019, **Secretary McCaw emailed all agency heads regarding heightened expectations for competitive procurements** and outcomes-based contract decisions. To support this effort, Secretary McCaw appointed Kimberly Kennison, OPM's Executive Financial Officer, to lead the Procurement Reform Team.

Over the past 18 months, **the procurement reform team has spearheaded several initiatives to improve processes, policies, and procedures related to increasing competitive procurements** for Purchase of Service (POS) contracts and Personal Service Agreements (PSA). This reform effort involves four main phases, which were significantly disrupted starting in March 2020 due to the pandemic.

OPM Procurement Reform Four Phases



Phase 1: Revamp OPM's reporting systems to ensure more accurate tracking of procurement data

Started in fall of 2019, now complete



Phase 2: Implement efforts to increase procurement transparency

Started in early 2020, disrupted by pandemic, ongoing



Phase 3: Support agencies in meeting procurement needs during Covid-19 crisis

Started in Spring 2020, ongoing



Phase 4: Work with agencies to bolster capacity for Results-Driven Contracting (RDC) competitive procurements and provide training to educate agencies on state procurement practices

Ongoing with a renewed focus in 2021

Procurement Reform Phase 1- Revamp Reporting Systems



- More Accurate Annual Reporting: OPM updated its data collection and reporting processes for the POS/PSA Annual Report on competitive contracting to better reflect the service models of agencies.
 - OPM created **two new categories (exempt and qualified)** to capture the nuances of human service procurement.
 - OPM also added additional information for **annual contract amounts** rather than just the total contract value for multiple years (which includes dollars already spent in previous years) and included summary charts that feature comparisons to track competitive procurement changes over time.
- New Technological Enhancements: OPM worked with Accenture, Core-CT to develop a contract requisition system to replace the OPM database. This new system went into effect, October 1, 2019.
 - This new system allows OPM to more effectively **connect requisition data with the contract financial information.**
 - OPM also **enhanced its previous waiver code justifications** for agencies to provide better transparency in reporting.

*OPM's POS/PSA Annual Report can be found on the Office of Finance website at the following [link](#):

2020 Competitive Data from Annual Report



2020 PSA Contracts

FY 2020	# of Contracts	Percent	General Fund	Percent	Federal Fund	Percent	Other Fund	Percent	Total Payments	Percent
Competitive (Y)	251	24%	\$45,308,432	54%	\$21,343,977	34%	\$37,979,029	49%	\$104,631,438	46%
Non-Competitive (N)	519	50%	\$37,004,686	44%	\$38,295,575	60%	\$36,039,096	46%	\$111,339,357	49%
Exempt (E) ₁	270	26%	\$1,281,448	2%	\$4,041,516	6%	\$3,973,476	5%	\$9,296,440	4%
Total	1040	100%	\$83,594,565	100%	\$63,681,068	100%	\$77,991,601	100%	\$225,267,234	100%

2020 POS Contracts

FY 2020	# of Contracts	Percent	General Fund	Percent	Federal Fund	Percent	Other Fund ₃	Percent	Total Payments	Percent
Competitive (Y)	231	18%	\$218,655,122	21%	\$125,846,135	35%	\$13,083,559	2.1%	\$357,584,817	18%
Non-Competitive (N)	745	57%	\$543,791,161	53%	\$224,445,609	63%	\$25,745,052	4%	\$793,981,822	40%
Exempt (E) ₁	177	14%	\$18,766,304	2%	\$7,237,615	2%	\$954,436	0.2%	\$26,958,356	1%
Qualified (Q) ₂	147	11%	\$243,577,120	24%	\$0	0%	\$575,299,513	94%	\$818,876,633	41%
Total	1300	100%	\$1,024,789,708	100%	\$357,529,360	100%	\$615,082,560	100%	\$1,997,401,628	100%

1. Exempt contracts are no more than \$20,000, contracts with cities and towns for pass through funds and political subdivisions.
2. Qualified contracts are for new and existing DDS providers who qualified to provider services according to the qualification process.
3. The other fund column can include non-federal grants, pass through state grants, and restricted state grants.

Procurement Reform Phase 2- Increase Transparency



- *Enhanced Oversight*: As of January 2020, OPM is publishing a monthly report of all approved sole-source requisition requests with their waiver code justifications.
 - This can be found on the [State Contracting Portal](#) next to the Department of Administrative Services standardized transaction report (DAS version of sole-source waivers).
 - These reports also follow a **stricter requisition approval policy at OPM that requires more substantive justifications for all sole-source waivers**, while pushing back on sole-source requests deemed suitable for competition.
- *Proactive Procurement Planning*: In light of new statutory requirements ([Public Act 19-117](#)), OPM convened a working group of state agencies to collaboratively redesign the forward-looking three-year procurement plan template to collect, and post publicly, all anticipated solicitations by agencies.
 - These plans also include **information on whether agencies intend to competitively bid or request a sole-source waiver**, helping agencies to prepare in advance for competitive procurements.
 - While this effort was partially delayed due to the pandemic (OPM utilized [Executive Order 7M](#)) and a need to prioritize continuity of services for vulnerable populations, **OPM has published revised public-facing plans that reflect the pandemic procurement landscape** on the [Office of Finance website](#).

Monthly Waiver Report Example



Justification of Waivers Legend

- A - The cost to the State of a competitive solicitation process would outweigh the benefits of such process.
- B - Supplier is mandated by federal law/grant (i.e., Medicaid), state statute, or public act.
- C - Services provided are to prevent disruption in treatment outcomes and continuity of care for vulnerable populations or emergency services.
- D - Evidence based, proprietary, special clinical/medicare services, or unique/specialized skills.
- E - Services and location by consent decrees, lawsuit disposition, litigation or stipulated agreement.
- F - Specific supplier location is funded by State bond funds or resources in real estate or physical plant to provide a level of service.
- G - Hospitals and Universities under agreement provide research and training programs for emergency treatment services.
- H - Zoning, citing & site licensing prohibit other suppliers due to funding or time.

Agency	Contract Type	REQ Approval Date	Contract Start Date*	Contract End Date*	Supplier Name	Contract ID*	Contract Description**	Requisition Amount	Justification Codes
MHAM1 - Mental Health & Addiction Serv	PSA	2/9/2021			MOSAIC BEHAVIORAL HEALTH CONSULTING PLLC		Motivational Training	\$27,500.00	A,C,D
OECDM1 - Office of Early Childhood	PSA	2/9/2021			CONNECTICUT CHILDREN'S MEDICAL CENTER		Autism Screening Research	\$300,000.00	D
SDRM1 - Aging and Disability Services	POS	2/11/2021			BENHAVEN INC		Customized Employment Initiative	\$225,000.00	A,D
SDRM1 - Aging and Disability Services	POS	2/11/2021			MARC COMMUNITY RESOURCES LTD		Customized Employment Initiative	\$225,000.00	D
SDRM1 - Aging and Disability Services	POS	2/11/2021			STAR INC LIGHTING THE WAY		Customized Employment Initiative	\$225,000.00	D
DCFM1 - Dept. of Children and Families	PSA	2/18/2021			RAMIN KOUZEHKANANI		Families First Implementation	\$72,000.00	A,D
MHAM1 - Mental Health & Addiction Serv	PSA	2/18/2021			GROWTH PARTNERS LLC		Substance Abuse Block Grant	\$24,990.00	A
MHAM1 - Mental Health & Addiction Serv	PSA	2/18/2021			UNITED WAY OF CONNECTICUT INC		National Suicide Prevention Lifeline	\$68,045.00	A,D
OECDM1 - Office of Early Childhood	POS	2/22/2021			CITY OF HARTFORD		Pregnancy and Parenting Teens Support	\$58,849.89	A,D
OECDM1 - Office of Early Childhood	POS	2/22/2021			CITY OF NEW HAVEN		Pregnancy and Parenting Teens Support	\$58,849.89	A,D
OECDM1 - Office of Early Childhood	POS	2/22/2021			TOWN OF WINDHAM		Pregnancy and Parenting Teens Support	\$58,849.89	A,D

* Some Contract IDs, Contract Start Date, and End Date are blank until the requisition is converted to a contract.

**Health and human service agencies are utilizing increased sole-source waivers due to the immediate need to provide services for vulnerable populations due to the Covid-19 emergency.

Procurement Plan Example



Office of Health Strategy

Procurement Plan for FY 2021-2023

Program Name /Service Type	Contract Type	Provider/Supplier	Is Procurement or Reprocurement Competitive?	Anticipated Year for Competitive Bid (if applicable)	Estimated Annual Contract Amount
APCD Warehouse Vendor	PSA	Onpoint Health Data	Y	2023	\$965,675
Consumer Engagement Coordinator	PSA	Health Equity Solutions, Inc.	Y	2021	\$125,000
Health Care Cost Growth and Quality Benchmarks and Primary Care Target Consultant(s)	PSA	Bailit Health Purchasing, LLC	Y	2022	\$500,000
Analytics- Vendor to support Health Care Cost Growth and Quality Benchmarks work stream	PSA	TBD	Y	2022	\$400,000

Procurement Plans FY 21-23

- Charter Oak College - *no planned procurements for this period*
- Chief Medical Examiner
- Connecticut State Library
- Department of Administrative Services
- Department of Aging and Disability Services
- Department of Agriculture
- Department of Children and Families
- Department of Corrections
- Department of Developmental Services
- Department of Economic and Community Development
- Department of Emergency Services and Public Protection
- Department of Energy and Environmental Protection
- Department of Housing
- Department of Mental Health and Addiction Services
- Department of Motor Vehicles
- Department of Public Health
- Department of Social Services
- Department of Transportation
- Division of Criminal Justice
- Office of the Attorney General
- Office of Early Childhood
- Office of Health Strategy
- Office of Higher Education
- Office of Policy and Management
- Office of the Secretary of the State - *no planned procurements for this period*
- Office of the State Comptroller
- Office of the State Treasurer
- State Department of Education
- Teachers' Retirement Board
- Workers' Compensation Commission

Procurement Reform Phase 3 – Support Emergency Response



- Offering Additional Flexibility: OPM, along with DSS and DAS, was instrumental in drafting Executive Order 7GG, which facilitated and streamlined emergency procurement processes
 - Because of these exceptional circumstances, requirements concerning competitive procurement were suspended, to **help agencies quickly adapt to supply chain constraints and ensure continuity of care for vulnerable populations.**
 - As the Covid-19 pandemic and its associated impact continue to affect state agencies and the populations they serve, OPM has sought **to balance a continued focus on competitive procurement with agencies' ongoing need for flexibility.**
- Supporting Vulnerable Populations: Unprecedented federal funding was also made available to state agencies to be used for emergency procurement via the CARES Act, for which OPM has led tracking and reporting efforts to ensure accountability.

STATE OF CONNECTICUT

BY HIS EXCELLENCY

NED LAMONT

EXECUTIVE ORDER NO. 7GG

PROTECTION OF PUBLIC HEALTH AND SAFETY DURING COVID-19
PANDEMIC AND RESPONSE – EMERGENCY PROCUREMENT OF
ESSENTIAL SERVICES, OTHER PUBLIC HEALTH MEASURES

NOW, THEREFORE, I, NED LAMONT, Governor of the State of Connecticut, by virtue of the authority vested in me by the Constitution and the laws of the State of Connecticut, do hereby **ORDER AND DIRECT:**

1. **Modification of State Contracting Statutes to Facilitate the Emergency Procurement of Essential Services.** In accordance with the provisions of Section 28-9(b)(1) of the Connecticut General Statutes, for any contract entered into on or after March 10, 2020, the head of a state contracting agency may waive the following statutes or requirements as described below if he or she deems such waiver is necessary to expedite the procurement of “essential services,” defined as “all services which (1) are necessary for the servicing or supporting of persons who might be affected by COVID-19 and state agencies that are responding to COVID-19, including, but not limited to, cleaning,

Procurement Reform Phase 4 – Bolster Capacity for Competitive RDC



Phase 4 of OPM’s procurement reform agenda centers on three workstreams:

1. Revising and updating OPM’s procurement standards, including a [new results-driven RFP template](#) designed to encourage competitive contracting, which has already been piloted by several human service agencies.
2. Rolling out CTsource to human service agencies, including **CTsource’s improved reporting and data analysis functionalities** and a central platform to evaluate vendor performance designed by a joint OPM-DAS work group.
3. Providing hands-on support and training, with the help of the Harvard Kennedy School Government Performance Lab, including through **cross-agency RFP “sprints”** and regular trainings on important procurement topics.



Week	Sprint Activity
1	Official Sprint Introduction
2	Workshop 1: Problem Statements & Goals
3	Workshop 2: Metrics & Contract Management
4	Workshop 3: Scope of Work
5	Workshop 4: Evaluation Criteria + RFP Draft

2021 Procurement Training Schedule



Training Title*	Facilitator	Description
DAS-OPM Procurement Overview	Kim Kennison (OPM Finance) and Carol Wilson (DAS Procurement)	Providing an overview of DAS and OPM's respective roles and responsibilities in procurement
OPM Procurement Standards Training + Update	Julia Fوسفeld (OPM Finance)	Presenting changes made in the 2021 update to OPM's procurement standards
Human Service Agency RFP Sprints	Colin Erhardt and Lars Benson (GPL)	Facilitating an intensive set of weekly seminars guiding two cross-agency teams through the RFP-writing process
OPM RFP Template Training	Colin Erhardt and Lars Benson (GPL)	Providing a deep dive on OPM's new results-based RFP template, emphasizing performance tracking and contract management
CORE Requisition and Workflow How-to	Julia Fوسفeld (OPM Finance) and OPM Budget (Tentative)	Walking through CORE's workflow and the process of submitting a requisition for a procurement to OPM
CEE Compliance and Requirements	Julia Fوسفeld (OPM Finance) and Lars Benson (GPL)	Reinforcing agencies' responsibility to complete CEEs and clarifying when this policy applies
CTsource Training for POS Agencies	Colin Erhardt and Lars Benson (GPL), Geri-Lynne Gagne (DAS Procurement)	Supporting the DAS-led rollout of CTsource to POS agencies and responding to agencies' concerns and areas of confusion
CTsource Vendor Evaluation System	Colin Erhardt and Lars Benson (GPL)	Debuting the CTsource vendor evaluation system and providing best-practices for incorporating performance into award decisions
Transition of Service Approaches and Best Practices	Colin Erhardt and Lars Benson (GPL)	Sharing strategies and agency expertise in managing cost-effective transitions and ensuring continuity of services

*These sessions are tentative based on survey feedback

Additional OPM Procurement Priorities



- Establish Statewide Vendor Evaluation System in CTsource (*estimated for May 2021*)



- Make OPM Procurement Standards More User-Friendly for Agencies



- Assess Feasibility of Additional Methods for Competitive Procurement



- Partner with DAS on Cross-Agency Procurement Cost-Saving Opportunities



- Improve Procedures for Cost-Effectiveness Evaluations



- Work with Agencies to Reduce Overall Procurement Cycle Times