



STATE OF CONNECTICUT
OFFICE OF GOVERNMENTAL ACCOUNTABILITY
STATE CONTRACTING STANDARDS BOARD

Final & Approved
Minutes

Friday, January 11, 2019 Meeting of the State Contracting Standards Board
5th Floor Conference Room
18-20 Trinity Street, Hartford, Connecticut

Members Present:

Lawrence Fox, Chair – Via conference form

Thomas Ahneman

Alfred Bertoline

Bruce Buff

Charles Casella, Jr.

Albert Ilg

Donna Karnes

Stuart Mahler

Jean Morningstar

Robert Rinker

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

1. Call to order

Meeting called to order by Chair Lawrence Fox at 10:00 A.M.

2. Approve the Minutes of the December 14, 2018 Meeting

Motion made by Alfred Bertoline and seconded by Bruce Buff to approve the minutes of the December 14, 2018 Board meeting.

Thomas Ahneman raised a question about the item concerning UConn Health on the Privatization Contract Committee Agenda for later today. Mr. Ahneman's understanding is a matter such as the UConn Health issue would come to the Board first and then the Board would refer it to the Privatization Contract Committee. Mr. Ahneman did not see it reflected in the minutes of the December 14, 2018 meeting. Mr. Rinker indicated his belief that it was raised under Chair Fox's report for the Privatization Committee.

By consensus the December 14, 2018 minutes Section 3 was amended to reflect that the receipt of communication from William Garrity, President of University Health Professionals Local 3837 concerning UConn Health was referred to the Privatization Contract Committee.

Motion made by Alfred Bertoline and seconded by Bruce Buff to approve the amended minutes of the December 14, 2018 Board meeting. All voted in favor, with Thomas Ahneman abstaining due to his absence from the December 14, 2018 meeting.

3. Report of the Privatization Contract Committee

Chair Fox reported that the Committee held a brief meeting on December 14, 2018 where Executive Director Guay committed to completing a questionnaire check list to be sent to the UConn Health. The Committee later today will review that material.

Thomas Ahneman asked if it is the Board or the Committee that should ask for the contractual material. Chair Fox responded that he believes that when the Board refers an item to the Committee, the Committee can act on its own until it reports its results to the Board, but is not clear on that. Executive Director Guay did not have an immediate answer and responded he would look into it.

4. Report from the Sec. 4e-36 Contested Solicitations and Awards Subcommittee

Subcommittee Chair Robert Rinker reported that on December 14, 2018, 4e-36 Contested Solicitations and Awards Subcommittee received a second contest from Civic Mind, LLC regarding an RFP issued by the Capital Region Development Authority (CRDA) on behalf of the City of Hartford for Dillion Stadium. Civic Mind, LLC supplemented its contest of December 14th with additional materials submitted on December 20, 2108.

Civic Mind, LLC relied on a letter submitted by Attorney Kevin Reynolds to the State Election Enforcement Commission (SEEC) regarding the self-disclosure of Hartford Sports Group (HSG) of improper campaign contributions. Attorney Reynolds is representing HSG before the SEEC. HSG is the proposer recommended by the CRDA and selected by City of Hartford for the Dillon stadium project.

Michael Freimuth, Executive Director of CRDA, stated at the meeting that there is no agreement with HSG, and no agreement would take place before a decision is rendered by the SEEC. CRDA General Counsel, Anthony Lazzaro stated that it is still considering a three party agreement.

Civic Mind, LLC believes there was collusion between CRDA, the City and HSG.

With regards to the collusion claim, the subcommittee told Civic Mind, LLC that this matter needs to be addressed to the Attorney General under C.G.S. 4e-31. This issue is not within the purview of the subcommittee.

With regards to the other claims, the subcommittee dismissed them without prejudice since no contract was in place. Since no contract was in place, the issue of jurisdiction of the subcommittee remained an open question as it was for the first contest filed by Civic Mind, LLC. Mr. Rinker noted that Executive Director Freimuth stated that it was the CRDA that told HSG principals to self-disclose its campaign contributions to Mr. Stefanowski and the Connecticut Republican Party to the SEEC and to get a ruling before proceeding with a contract.

Mr. Rinker concluded that the policy questions he raised at the last meeting remaining outstanding and he doesn't believe we need to have further discussion on them today.

5. Work Group Reports

a. Report from Audit Work Group

Chair Thomas Ahneman reported that the work group has worked to complete a new audit questionnaire, cover letter and definitions list, which has been distributed to the full Board. One change made this morning was to add Paul Mounds, Chief Operating Officer to the copy list. The work group also assigned members to review individual agencies up for audit in 2019.

- Stuart Mahler - Department of Rehabilitation Services - State unit on Aging
- Stuart Mahler - Department of Agriculture
- Thomas Ahneman - Department of Consumer Protection
- Robert Rinker - Office of Early Childhood
- Thomas Ahneman - Elections Enforcement Commission
- Alfred Bertoline - Office of State Ethics
- Jean Morningstar - Connecticut State Library
- Jean Morningstar - Office of the Chief Medical Examiner
- Alfred Bertoline - Department of Motor Vehicles
- Robert Rinker - Teachers' Retirement Board
- Jean Morningstar - Department of Veteran Affairs

The work group discussed follow-up to the 2017 audit group, concerning what to do with the 2017 audited agencies and the findings from that audit.

Audit Work Group Chair Ahneman asked for the Board's approval of the cover letter, questionnaire, definitions list and the group of agencies proposed to be audited in 2019.

Motion made by Stuart Mahler and seconded by Alfred Bertoline to approve the cover letter, questionnaire, definitions list and the group of agencies to audit in 2019. All voted in favor

7. Report from the Study of PSA Competitive Bidding Practices Joint Committee

Chair of the Study of PSA Competitive Bidding Practices Joint Committee introduced the report.

Chair Bertoline also thanked Robert Rinker and Bruce Buff the other members of the committee for the work they did. Chair Bertoline also thanked Carol Wilson, Director of P and Devin Marquez

- **Chair Bertoline outlined the 2017 Study.**
 - Tone at the top
 - Considerable cost savings not being realized
 - Waiver process too routine and lax
 - Training is insufficient
 - Little transfer of knowledge
- **Chair Bertoline outlined the scope of the 2018 Study.**
 - The Agencies and contracts in the Scope
 - Scope exceptions
- **Chair Bertoline outlined the Findings**
 - Cost Effectiveness Evaluations
 - Contractor Evaluations
 - Documentation of Waivers
 - Contracts with Individuals

Committee member Robert Rinker discussed near term recommendations.

- Waiver approval should be moved to the Board
- All waivers requested should be posted on BIZNET for public transparency

- Fill the position of Chief Procurement Officer
- Populate the position of Chief Procurement Training Officer
- Add the position of Chief Procurement Auditor
- **Committee member Bruce Buff discussed longer term recommendations.**
 - Centralize the procurement process
 - Bring all State procurement under the same oversight and Compliance

General discussion was held.

Chair Fox initiated discussion by thanking Al Bertoline, Bruce Buff, Robert Rinker, Carol Wilson and Devin Marquez for their work and contribution to the report.

Albert Ilg commented that we are looking at an organization in stress, with 45,000 employees when there used to be 60,000. People take short cuts because they have to. The organization has been reduced, but the job of the organization has increased. Mr. Ilg would like a copy of the report passed by the two State Auditors. Mr. Ilg also would like to receive some comments from agency heads. Mr. Ilg lamented the complexity of procurement procedures. Mr. Ilg stressed that we have this artificial line between employees and the other expenses, which is an impediment to hiring, leaving the State with a shadow work force of contractors. Mr. Ilg thinks the recommendation for more staff for the Board is wonderful, but he wonders if it will happen.

Donna Karnes stated her believe that the key is centralization and the recommendations of the Report are simple and achievable.

Thomas Ahneman thanked the Committee, which he thinks is a good body of work, but believes the recommendations miss the mark and he does not think he can support these recommendations. Mr. Ahneman expressed his concern that OPM was not involved in the study. Mr. Ahneman explained his reason for not supporting the report is the recommendation to take the waiver approval process work away from OPM and bring it to the Board. Mr. Ahneman decried bringing more work to the Board when the Board has not completed much of its statutory tasks, such as standards creation.

Chair Fox followed up on Mr. Ahneman's concern of the Board taking on the waiver process and notes that the report is not recommending that the Board take on the centralization of procurement, but rather another more appropriate agency. Chair Fox further stated that the thrust of the Board taking on the waiver process is because OPM is not doing the job.

Mr. Bertoline offered that the recommendations make the point that the waiver system is broken and if there is no way for OPM to fix it internally then the Board should take it over.

Robert Rinker expressed that he is in favor of moving the waiver process to the Board, noting from a previous conversation Board members had with Ben Barnes that he didn't know OPM did the waivers. Mr. Rinker stated that is indicative of the priority. The transparency of bidding is critical, and more transparency will occur if an agency has to put up on the contracting portal that it is seeking a waiver from bidding. Mr. Rinker believes that will solicit other contractor interest.

Bruce Buff stated that he didn't think we need new standards but enforcement of the existing standards.

Executive Director Guay asked if Carol Wilson or Devin Marquez wished to comment. Carol Wilson expressed thanks for allowing their participation in the study. Ms. Wilson agrees with a majority of the report as it concerns competitive bidding, training, and additional centralization. Ms. Wilson also expressed her agreement with many of the comments made.

Mr. Ilg wanted to again express his thanks to the committee. Mr. Ilg expressed that it is a wonderful report, trying to fix a problem that is so very big, but how we fix it is still a question and indicated he would probably abstain. Mr. Ilg added a final comment that he has been tremendously impressed with the employees that have come before the Board to express their frustrations.

Alfred Bertoline moved acceptance of the Report from the Study of PSA Competitive Bidding Practices Joint Committee, and Donna Karnes seconded.

Voting Yes:

Lawrence Fox
Alfred Bertoline
Bruce Buff
Charles Casella, Jr.
Donna Karnes
Stuart Mahler
Jean Morningstar
Robert Rinker

Voting No:

Thomas Ahneman

Abstaining:

Albert Ilg

Motion passed, with eight voting yes, one voting no, and one abstention.

Chair Fox led discussion on who and where to send the report. Albert Ilg expressed a hope for an addendum concerned with the bureaucracy of the system.

Chair Fox asked Executive Director Guay to produce a list to send the report and to draft a cover letter from him.

8. Other Business

No other business raised.

9. Public Comment

Ms. Alisa Peterson addressed the Board with her concerns over the decisions of the Section 4e-36 Contested Solicitations and Awards Subcommittee and the Subcommittee's interpretation of C.G.S. Sec. 4e-31 and the definition of who is an affected party.

Lester Tillman and Jan Lawrence employees of the Department of Developmental Services addressed the Board with concerns on Information Technology contractors taking the place of state employees.

10. Adjournment

Motion made by Alfred Bertoline and seconded by Robert Rinker to adjourn. All voted in favor, the motion passed and the meeting was adjourned at 12:10 P.M.

Respectfully submitted: David Guay