



STATE OF CONNECTICUT
OFFICE OF GOVERNMENTAL ACCOUNTABILITY
STATE CONTRACTING STANDARDS BOARD

Final & Approved

Friday, October 21, 2016 Special Meeting of the State Contracting Standards Data Analysis
Work Group

First Floor Conference Room, 999 Asylum Avenue, Hartford, CT 06105

Members Present:

Alfred Bertoline, Chair

Bruce Buff

David L. Guay, Ex Officio

1. Call to order

Meeting called to order by Chair Bertoline at 11:15 A.M.

2. Review of OPM Contracting Reports for Fiscal 2016

- I. Chair Bertoline lead a review and discussion on POS – Purchase of Service Contracts
 - a. Run reports to fulfill requirements of 4-70b – Report on contracting activity and determine financial condition of non-profits and community based health and human services agencies
 - b. Cannot be used to purchase from individuals, administrative services, material goods, training or consulting
 - c. Agencies with over \$300k must have uniform audit each year
 - d. Data compiled from Core-CT – agencies required to post data to system
 - e. Report calculates various financial ratios – no interpretation or judgment given
 - f. Listing is by agency/contractor by alpha/contract by year originated
 - g. Bid/no bid identified data but not summarized
- II. Chair Bertoline lead a review and discussion on PSA – Personal Service Agreements
 - a. Run report to fulfill requirements of 4-212 – used to purchase in-frequent and non-routine services and end products i.e. consulting, technical assistance and training
 - b. Not included in PSA contracts:
 - i. Those under 4a-50
 - ii. Those hired by DAS, Division of Construction (4b-55)
 - iii. Certain consultants hired by DOT (13b-20b)
 - iv. Agencies of the Federal and State governments

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- v. Certain consultants hired by DAS, Bureau of Enterprise Systems and Technology (4d-2© (5))
- c. Using a PSA must follow standards determined by OPM
 - i. Each agency must establish procedures for compliance with above
- d. Agencies entering privatization contracts must determine if such contract is more cost effective method for delivering services (4e-16)
 - i. Does not apply to new contacts for services already privatized
- e. Contracting for legislative and judicial branches are excluded
- f. Competitive bid contracts
 - i. Payments 52%
 - ii. All contracts 26%
 - iii. All contracts under \$20k 23%
 - iv. All contracts over \$20k 27%
- g. Contracts are listed by agency, by contractor, by contract, by date originated
- h. PSA Listing of contracts by contractor in descending order does not tie to OPM report above – off by about 1%

3. Observations

- I. Chair Bertoline shared his initial observations of the data.
- II. POS contracts -69% of total – health and human services agencies
 - a. No privatization concerns here
 - b. Contract agencies over \$300k have a single audit done annually
 - c. Financial ratios are computed by year and by historical trends
 - i. No interpretation of results given
 - d. No determination of bid versus no-bid contracts noted
 - i. Presented by contract but not summarized
- III. PSA contracts – 31% of total – in-frequent and non-routine – consulting, technical assistance and training
 - a. Excluded
 - i. DAS – Division of Construction, Enterprise Systems and technology
 - ii. DOT – Certain consultants
 - iii. Agencies of State and Federal government
 - iv. Legislative and judicial branches
 - v. Ongoing and frequent purchases of materials, supplies and services
 - vi. Other?
 - b. Privatization requirement of most cost effective approach only performed on initial privatization – not continuing
 - c. Non-competitive contracts total 74% of total contracts

4. Defining Data Analysis Sub Groups Agenda – Discussion topics

- I. The Work Group Reviewed the State Contracting Standards Board Mission Statement
- II. The Work Group discussed how Data Analysis can assist in achievement of the mission
- III. The Work Group discussed what professional input should be sought
 - a. State leadership input

- i. Legislature
 - ii. State Agencies – OPM, highest contracting agencies
 - iii. Contractors
 - iv. Procurement officers
 - b. Other
 - i. Other State procurement officials
 - ii. National Association of State Procurement Officials
 - iii. Data Analysis professionals
 - iv. Others
- IV. The Work Group discussed initial considerations
 - a. Bid/no-bid practices
 - b. Agencies excluded from Standards
 - c. Recurring purchase excluded from standards
 - d. POS contracts – 69% of total
 - i. What are major contractors doing to reduce costs/fees paid by State
 - ii. What are agencies doing to reduce outside contractor costs
 - iii. Contractor financial ratios – how do these impact outside contractor costs
 - iv. Other
 - e. PSA contracts – 31% of total
 - i. Huge amounts being paid to “in-frequent and non-routine” contractors over several years
 - 1. Perhaps these contracts should be segregated into non-routine versus routine services and contracted as such
 - ii. What are major contractors doing to reduce costs/fees paid by State
 - iii. What are agencies doing to encourage greater competition for these outsourced services
 - iv. Should privatization cost/benefit analysis be performed more often than of initial privatization contracts
 - v. What are agency plans to minimize knowledge transfer to contractors
 - f. Contractor Performance Measurement
 - i. How is value determined
 - ii. Data available to support

5. Select next meeting date

The Work Group set November 4, 2016 at 11:00 A.M. as the next meeting date and time.

6. Adjournment

Motion made by Bruce Buff and seconded by David Guay to adjourn. All voted in favor and the meeting was adjourned at 12:10 P.M.

Respectfully submitted: David L. Guay