



STATE OF CONNECTICUT
OFFICE OF GOVERNMENTAL ACCOUNTABILITY
STATE CONTRACTING STANDARDS BOARD

State Contracting Standards Board Data Analysis Work Group

Notice of Special Meeting

11:00 A.M. Friday, October 21, 2016

Agenda

1. Review of OPM Contracting Reports for Fiscal 2016
 - a. POS – Purchase of Service Contracts
 - i. 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
 - ii. Cannot be used to purchase from individuals, administrative services, material goods, training or consulting
 - iii. Agencies with over \$300k must have uniform audit each year
 - iv. Data compiled from Core-CT – agencies required to post data to system
 - v. Report calculates various financial ratios – no interpretation or judgment given
 - vi. Listing is by agency/contractor by alpha/contract by year originated
 - vii. Bid/no bid identified data but not summarized
 - b. PSA – Personal Service Agreements
 - i. 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
 - ii. Not included in PSA contracts:
 1. Those under 4a-50
 2. Those hired by DAS, Div. of Construction (4b-55)
 3. Certain consultants hired by DOT (13b-20b)
 4. Agencies of the Federal and State governments
 5. Certain consultants hired by DAS, bureau of Enterprise Systems and Technology (4d-2© (5)
 - iii. Using a PSA must follow standards determined by OPM
 1. Each agency must establish procedures for compliance with above
 - iv. Agencies entering privatization contracts must determine if such contract is more cost effective method for delivering services (4e-16)
 1. Does not apply to new contacts for services already privatized
 - v. Contracting for legislative and judicial branches are excluded
 - vi. Competitive bid contracts
 1. Payments 52%

- 2. All contracts 26%
- 3. All contracts under \$20k 23%br
- 4. All contracts over \$20k 27%
- vii. Contracts are listed by agency, by contractor, by contract, by date originated
- c. PSA Listing of contracts by contractor in descending order
 - i. Does not tie to OPM report above – off by about 1%
- 2. Observations
 - a. POS contracts – 69% of total – health and human services agencies
 - i. No privatization concerns here
 - ii. Contract agencies over \$300k have a single audit done annually
 - iii. Financial ratios are computed by year and by historical trends
 - 1. No interpretation of results given
 - iv. No determination of bid versus no-bid contracts noted
 - 1. Presented by contract but not summarized
 - b. PSA contracts – 31% of total – in-frequent and non-routine – consulting, technical assistance and training
 - i. Excluded
 - 1. DAS – Division of Construction, Enterprise Systems and technology
 - 2. DOT – Certain consultants
 - 3. Agencies of State and Federal government
 - 4. Legislative and judicial branches
 - 5. Ongoing and frequent purchases of materials, supplies and services
 - 6. Other?
 - ii. Privatization requirement of most cost effective approach only performed on initial privatization – not continuing
 - iii. Non-competitive contracts total 74% of total contracts
- 3. Defining Data Analysis Sub Groups Agenda – Discussion topics
 - a. Review Standards Board Mission
 - b. How Data Analysis can assist in achievement of mission
 - c. What professional input should we seek
 - i. State leadership input
 - 1. Legislature
 - 2. State Agencies – OPM, highest contracting agencies
 - 3. Contractors
 - 4. Procurement officers
 - ii. Other
 - 1. Other State procurement officials
 - 2. National Association of State Procurement Officials
 - 3. Data Analysis professionals
 - 4. Other
 - d. Initial considerations
 - i. Bid/no-bid practices
 - ii. Agencies excluded from Standards
 - iii. Recurring purchase excluded from standards
 - iv. POS contracts – 69% of total
 - 1. What are major contractors doing to reduce costs/fees paid by State
 - 2. What are agencies doing to reduce outside contractor costs

3. Contractor financial ratios – how do these impact outside contractor costs
 4. Other
 - v. PSA contracts – 31% of total
 1. Huge amounts being paid to “in-frequent and non-routine” contractors over several years
 - a. Perhaps these contracts should be segregated into non-routine versus routine services and contracted as such
 2. What are major contractors doing to reduce costs/fees paid by State
 3. What are agencies doing to encourage greater competition for these outsourced services
 4. Should privatization cost/benefit analysis be performed more often than of initial privatization contracts
 5. What are agency plans to minimize knowledge transfer to contractors
 6. Other
 - vi. Contractor Performance Measurement
 1. How is value determined
 2. Data available to support
4. Select next meeting date
 5. Adjournment