



STATE OF CONNECTICUT
OFFICE OF GOVERNMENTAL ACCOUNTABILITY
STATE CONTRACTING STANDARDS BOARD

Draft Minutes

Friday, January 15, 2016 Special Meeting of the State Contracting Standards Board Privatization
Contract Committee
First Floor Conference Room, 999 Asylum Avenue, Hartford, CT 06105

Members Present:

Claudia Baio, Chair
Charles W. Casella, Jr.
Thomas G. Ahneman via teleconference
Brenda Sisco

Staff Present:

David L. Guay, Executive Director
Julia K. Lentini Marquis, Chief Procurement Officer
Nancy Lotas, Office Assistant

[Call to order](#)

Meeting called to order by Chair Baio at 10:01 A.M.

[Approve the Minutes of the December 11, 2015 Meeting](#)

Chair Baio entertained a motion to approve the draft December 11, 2015 State Contracting Standards Board Privatization Contract Committee meeting minutes.

Motion made by Charles Casella and seconded by Brenda Sisco to approve the minutes of the December 11, 2015 State Contracting Standards Board Privatization Contract Committee meeting. All voted in favor.

Review of the Rocky Hill Nursing Home

Chair Baio initiated discussion by noting the decision of the committee at the last meeting to enlist the aid of Assistant Attorney General Mark Kohler to review the Legislative genesis and action on the matter.

Legislation enacted in 2011 provided for the establishment of or contracting out for a nursing home to serve the clients of DSS and DMHAS and the inmates of DOC. The Legislation had a “notwithstanding any other statutory requirement” provision, which would include all of the State Contracting Standards Board statutory requirements.

Chair Baio asked if the members had any questions for Attorney Kohler. Hearing none, no further action was taken.

Review of Privatization of Legal Services by the Office of Labor Relations

The issue of whether the Office of Labor Relations’ (OLR) contract with outside general counsel was proper under statute and whether OLR followed Title 4e appropriately was raised by Board member, Sal Luciano.

Chief Procurement Officer Julia Marquis offered that she had contacted the OLR and has yet to receive a response. It is her understanding that the utilization of outside counsel is a common practice used by a variety of agencies throughout the State. To confirm this, she did speak with the legal director at the Department of Social Services, who noted that their contract for outside counsel is long-standing and held on DSS’ behalf by the Office of the Attorney General. Ms. Marquis also noted the nuance of the question on the use of outside counsel for negotiations and the use of outside counsel in general, though she did not think the distinction would likely make a difference in the legal analysis.

Waiting for information from OLR.

Motion made to table the review of Privatization of Legal Services by the Office of Labor Relations by Charles Casella and seconded by Brenda Sisco. All voted in favor.

Review of the University of Connecticut contract with Lighthouse Masonry

Ms. Marquis reviewed the background on the matter. Ms. Marquis explained that Lighthouse Masonry is a subcontractor to a general contractor and subject to the same rules as the general contractor. The obligation to see that the subcontractor is in compliance is with the general contractor.

Ms. Marquis, as requested, provided a copy of the Lighthouse Masonry contract to committee members by email prior to the meeting.

In discussion, members could not establish an issue of concern based upon the information gathered. Ms. Marquis offered that nothing has been brought to the Board's attention that is a possible violation of the Board's statutes.

No action taken.

[Review of the Department of Transportation privatization of bridge safety inspections](#)

Chair Baio initiated discussion by asking Ms. Marquis to summarize the history of the issue. A cost benefit analysis conducted in the past indicated that it was more cost effective to hire in-house staff to conduct bridge safety inspections. The matter has been brought to the Board previously without action.

The Committee tasked Ms. Marquis to gather information from the Department of Transportation and she has received the five held contracts for the work. It is the DOT's position that Sec. 4e-16 does not apply in this instance as the work had been previously contracted out, but Sec. 4e-16e does apply and they have to perform a cost effectiveness evaluation, which they have done.

The Committee asked Ms. Marquis to provide the committee with one of the bridge inspection contracts for review. She was further tasked to provide the scope of work for all related bridge inspection contracts.

Mr. Casella asked for someone to walk the committee through the DOT cost effectiveness evaluation and related documentation which he requested and was provided today by Mr. Guay from the Board's records.

Motion made to table the review of the Department of Transportation privatization of bridge inspections by Charles Casella and seconded by Brenda Sisco. All voted in favor.

[Review of Department of Motor Vehicles software purchase](#)

The question of how the software was procured by the State was raised at the Committee's last meeting. Ms. Marquis provided an overview of IT procurement. Ms. Marquis explained the details of IT procurement that is broken into three components; the purchase of software, the purchase of hardware and the procurement of IT systems.

It is Ms. Marquis' understanding that the DMV has been under contract with 3M for over seven years. DMV was in the process of conversion when problems started to occur in Connecticut and other states that had purchased the 3M product.

Brenda Sisco offered that Legislative hearings are expected on the matter and that more information should be available after the hearings. Thomas Ahneman offered that it sounds more like a product problem than a contract problem.

No action taken at this time.

[Discussion and possible action on state contracting agencies' lack of business cases, which include cost-benefit analysis, and review of privatization contracts](#)

Ms. Marquis explained that this issue was raised again at the Board's December 18, 2015 training session for agency procurement officers and at the November 13, 2015 Department of Administrative Services' procurement training in which we participated.

After presentations on conducting and producing a cost benefit analysis, agency representatives questioned how they were expected to accomplish the task without tainting the procurement process. They asked how agencies are expected to get the financial information from contractors without diminishing their ability to bid. The Statute now requires agencies to come to the Board with a business case, which includes a cost benefit analysis, before going out to bid. One suggestion is to flip the process by having the agencies collect the bids and then come to the Board with their business case. It appears agencies are not coming to the Board with a business case because of fear of tainting the process.

Ms. Marquis believes that agencies are not trying to avoid coming to the Board, rather they have a genuine concern of violating all the other procurement standards.

Chair Baio suggested the Board wants to do its job and due diligence and at the same time not halt the business of the State of Connecticut. She offered that a statutory change may be appropriate.

Chair Baio suggested that this issue would be appropriate to bring to the Work Group for possible revision to the Statute. Suggesting if the Board can't reach consensus on an entire package then maybe consensus could be reached on this issue and the issue of a quorum change for the Board to be able to meet more often.

Other business

Mr. Casella asked if anyone had heard anything about filling the Board's vacancies. Chair Baio responded that it is her understanding that it is in process.

An engineer, Ned Statchen, working at the Department of Transportation, in attendance at the request of his union, addressed the Committee regarding the bridge safety inspection issue. He noted that in addition to the 5 contracts the committee had seen, there were 7 additional contracts concerning bridges. Ms. Marquis, at the committee's direction, agreed to get copies of those contracts.

Adjournment

Motion made by Brenda Sisco and seconded by Charles Casella to adjourn. All voted in favor and the meeting was adjourned at 11:25 A.M.

Respectfully submitted: David L. Guay