



MONTHLY REPORT March 2024

For the information of the members of the State Contracting Standards Board, the staff of the Office of Governmental Accountability would like to reiterate our commitment to keeping you informed. We are dedicated to sharing the following updates for March 2024:

Administration:

1. The regularly scheduled meeting for March 8, 2024, was canceled due to a vacancy in the chairperson position for the State Contracting and Standards Board.
2. APA Audit - The Office of Governmental Accountability is currently undergoing an APA audit, a crucial process that ensures the Board's business is conducted in strict accordance with Chapter 62. The staff has been diligently providing examples of recent documents and files and participating in interview sessions to demonstrate how our team ramped up operations last year and how our work products meet our statutory requirements. The APA identified challenges (lack of developed regs, reports, etc.), but the final audit report and results are still pending. The staff remains steadfast in their commitment to identifying areas for improvement and developing processes that mitigate risk and adhere to statutory requirements.
3. Budget – The staff recently met with our assigned DAS budget analyst to review our projections for next year. It's important to note that the SCSB is facing a significant budgetary challenge in FY 2025, given the nature of the biennium budget process. This has already led to some tough decisions, such as canceling our plan to employ a UCONN intern for the next fiscal year. The staff is actively looking for other areas where we can save money, but with personnel costs consuming nearly 97% of our slotted appropriations, we have very little funding left to cover all the other costs associated with the SCSB's operations. The current budget poses a challenge in almost all operational expense categories, including training classes, supplies, board member per diem, software licenses, etc. We are working closely with DAS, OPM, and the legislative teams, and we hope to hear some positive news soon.

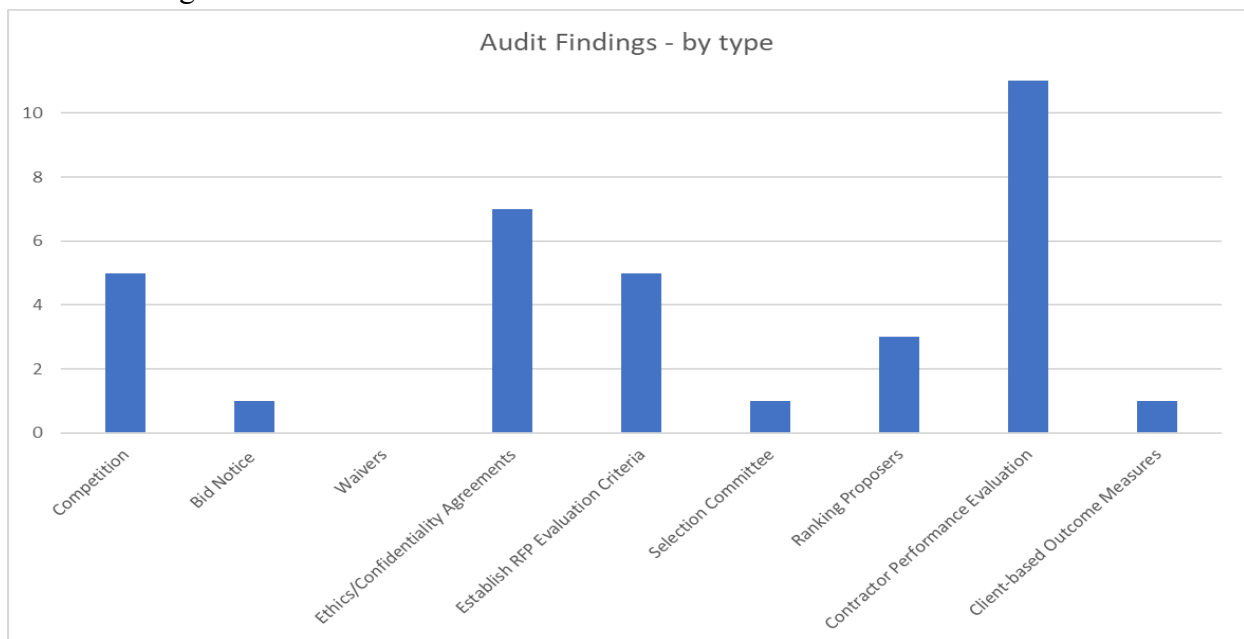
Audits:

- The staff has continued working on several audits; as an overview, here is a quick snapshot of where we stand with each of our planned 11 audits as of April 1st:

<u>Agency</u>	<u># of contracts</u>	<u>\$ Value</u>	<u># of samples audited</u>	<u># of findings</u>	<u>Audit Status</u>
Charter Oak	6	302,287	2	1	report completed; report posted to SCSB website
Chief Medical Examiner	4	113,690	2	1	report completed; report posted to SCSB website
Dept of Public Health	124	311,871,720	12	2	Ready for release – approval required
DESPP	91	2,951,192	9	12	Ready for release – approval required
OHE	114	1,876,204	11	11	Report drafted, waiting for agency responses
Dept of Insurance	3	62,520	2		Data received on 3/29, meeting scheduled 4/11
Dept of Energy and Env. Prot.	91	37,234,877	5		Data request sent, waiting for data
Dept of Social Services	71	425,180,153	7		Data request sent, waiting for data
State IT Contracts	2	30,000,000	2		DAS will be sending the data on 4/11
OPM	65	11,733,475	6		Staff will send data requests in April.
State Service Contracts (DAS)	518	8,519,755,864	20		Staff will send data requests in April.

Note: the # of contracts and \$ value represent the agency's total over two budget years.

- Below is a table showing the results of our audits as expressed in terms of where the findings were identified.



After conducting our first five audits, the most common issue we have found is the failure of an agency's failure to complete a post-contract evaluation of the supplier's performance. An agency should use that performance data when contemplating a new contract with the same supplier. We also see issues in collecting three bids, failure to collect ethics and confidentiality attestations from selection committee members, and establishing RFP evaluation criteria.

Please note: In an effort to keep the audit program moving forward, Mr. Bertoline has suggested the following changes to the report approval process:

Step 1 - Two committee members perform the detailed review according to the plan established earlier this year.

Step 2 - Approval of reports to be issued - review by three independent committee members requiring unanimous approval.

Please note that this is a temporary change while we wait for the appointment of the new board chair. The staff plans to move forward with this plan unless otherwise directed. Please get in touch with Mr. Bertoline and Director Daniels if you foresee any issues with the temporary approval process change mentioned above.

Legal:

1. Extensive legal research on board matters.
2. Drafting of legal memo(s) on board matters.
3. Advise the Executive Director, Chief Procurement Officer (CPO), and Staff on legal questions related to state procurement, including proposed legislation.
4. Compiled and drafted a procurement and procurement-related statutes and regulations repository, including extensive research. (*ongoing*)
5. The Uniform Administrative Procedures Act (UAPA) and SCSB statute comparison document will aid in developing future proposal(s) to improve compliance with the requirements of UAPA by the SCSB. (*ongoing*)

Legislation:

1. Two bills concerning the SCSB have been introduced and brought up in the Government Administration and Elections Committee (GAE). The first is Senate Bill (SB) 389, which is identical to the bill from last year. The second is SB 391, which is based on the recommendations sent to the legislature from the SCSB before this legislative session. On March 13, 2024, Executive Director Greg Daniels provided written and in-person testimony to the GAE Committee on both bills. On March 22, 2024, the GAE Committee voted on SB 391, as amended, and did not take up SB 389. SB 391 passed with a 13 to 6 vote. SB 391 had been amended to include a provision from SB 389 that stated that the SCSB would be funded to maintain a staff of at least five (5) full-time employees. The substitute language did not remove any language from the originally filed SB 391.

- a. Key provisions of SB 391 include but are not limited to:
- b. Adds quasi-public agencies to the purview of the SCSB under Chapter 62, including statutes regarding the termination of contracts and privatization contracts;
- c. Requires OPM to include bidders rights on solicitations;
- d. Lowers the privatization threshold from 100 employees to 25;
- e. The SCSB will review cost-effectiveness evaluations on PSA contracts; our CPO will review any waivers granted by OPM;
- f. Emergency procurement waivers and contracts must be posted online;
- g. State contracting agencies will give notice to the SCSB for emergency procurements and
- h. State contracting agencies shall evaluate the financial condition of contract bidders.

Pending Matters:

1. DESPP Privatization: Last month, the two parties reached an agreement that addresses the union's concerns under A&R's current petition to the board. As a result of this agreement, and if the board supports this path forward, the union is willing to withdraw its current C.G.S. § 4e-16 petition, with the understanding that the other aspects of Ms. Jones's complaint will be addressed by the SCSB and forwarded to the AG as deemed appropriate. The staff continues to work on the other elements of Ms. Jones' complaint. Status updates will follow in forthcoming monthly reports.

Training:

1. Working in conjunction with the Chief Procurement Officer, the Trainer Specialist has developed six courses. The first was created in conjunction with the Office of State Ethics. All others were developed in collaboration with NASPO (National Association of State Procurement Officers). They are as follows:
 - Code of Ethics for Procurement Professionals – 1 hour
 - Foundation of Public Procurement – 5 hours
 - Introduction to Ethical Procurement – 1 hour
 - Introduction to Sole Source Procurement – 1 hour
 - Introduction to Service Contract – 2 hours
 - Introduction to Request for Proposals – 3 hours
2. The Chief Procurement Officer and the Trainer Specialist are collaborating on developing and producing the two new courses below. The projected completion date for these classes is May 31, 2024:
 - Introduction to State Procurement Rules and Governance

- Sourcing, Purchasing, and Procurement
3. Two Level 1 entry-level courses will be completed as projected in the initial training plan. Based on future audit results, additional courses/classes may be developed.
 4. Several State Agencies are interested in having their employees participate in training:
 - The Department of Mental Health and Addiction Services requests training for six (6) participants.
 - Connecticut State University – the number of attendees is not yet known.
 - Comptroller has requested training and assistance in developing procurement processes and procedures.
 5. The State of CT Auditor of Public Accounts met with the SCSB training specialist to learn about the training and certification program that SCSB has developed to comply with the requirements under C.G.S. § 4e-4.

If you have any questions regarding the information contained in this report, please direct your inquiries to me via email at: Greg.Daniels@ct.gov.

Respectfully submitted,

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