
Status Report

Overview of State Agency
Personal Service Contracting:
Selection and Monitoring

December 19, 2014

Legislative Program Review
and Investigations Committee

Connecticut General Assembly

**CONNECTICUT GENERAL ASSEMBLY
LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE**

The Legislative Program Review and Investigations Committee (PRI) is a bipartisan statutory committee of the Connecticut General Assembly. It was established in 1972 to evaluate the efficiency, effectiveness, and statutory compliance of selected state agencies and programs, recommending remedies where needed. In 1975, the General Assembly expanded the committee's function to include investigations and gave the committee authority to raise and report bills in 1985. In 1977, the committee also acquired responsibility for "sunset" (automatic program termination) performance reviews, but the state's sunset law was amended in 2012; PRI is still involved, but the legislature's subject matter committees have roles as well.

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Overview of State Agency Personal Service Agreement Contracting

Background

In June 2014, the PRI committee authorized a status report on executive branch personal service contracting to provide an overview of current requirements and processes for personal service agreements (PSAs), quantify the degree to which competitive PSAs are being utilized, and identify best practices for procurement.

A PSA is a contract that defines the services or end products to be delivered for a fee to a state agency by a person, firm, or corporation, and is one of the primary procurement mechanisms used by state government. PSAs are typically used to purchase infrequent and non-routine services or end products, such as certain consulting services, technical assistance, and training. In FY 2014 there were 1,189 active personal service agreements in the executive branch representing \$284 million in total expenditures (All funds).

PRI committee staff interviewed personnel from the Office of Policy and Management (OPM), the Office of the Auditors of Public Accounts (APA), the Office of the State Comptroller, the Department of Administrative Services, the Office of the Attorney General, and the State Contracting Standards Board.

PRI reviewed statutes, regulations and current standards. Information relating to personal service contracting was obtained from articles, websites, and reports including relevant PRI studies. Data was obtained from Core-CT, OPM's PSA system and OFA's transparency website. Staff also reviewed findings and recommendations from relevant APA reports.

Main Staff Findings

Since FY 2011 there has been a downward trend in overall PSA spending as well as volume. In FY 2014, ten executive branch agencies represented nearly 93 percent of total PSA spending.

The overall cost and duration of a personal service contract determines the solicitation method and requirements for the agreement. The primary method of competitive PSA solicitation involves a request for proposals (RFP). In FY 14, 31 percent of PSA contracts were competitively procured representing \$194 million, or 68 percent of PSA payments.

Statewide, approximately 77 percent of the PSAs with FY 2013 expenditures were assigned to four categories of services: management consultant services, medical services, educational services; and pass-thru grants.

There is no existing reporting requirement for PSA amendments and their resulting impacts.

Contractor evaluations, as currently utilized, are more perfunctory than meaningful.

PRI Staff Recommendations

Clarify statutory authority. The State Contracting Standards Board shall further clarify the intent of C.G.S. Section 4a-50 in relation to the authorization provided to OPM within the procurement related statutes and to the definitions as found within statutes and submit any proposed changes to the legislature by January 1, 2016.

Limit waivers. The General Assembly should consider limiting the conditions that may be used to justify a waiver from competitive bidding when services are contracted for under a PSA.

Align standards with statute. OPM should consider aligning its definition of competitive procurement within its standards for PSAs to include all methods permissible under statute.

Report on amended contracts. OPM should report to the General Assembly on any amended contracts that have been altered in terms of cost or duration beginning no later than November 1, 2015.

Make contractor evaluations more useful. OPM should determine ways in which the current process of evaluating personal service contractors can be improved and make necessary revisions to the standards established for personal service agreements, by January 1, 2016.

Acronyms

AAR	After Action Report
AG	Attorney General
APA	Auditors of Public Accounts
CEAO	Commission on Agency Outcomes
C.G.S.	Connecticut General Statutes
CSL	Connecticut State Library
DAG	Department of Agriculture
DAS	Department of Administrative Services
DCS	Department of Construction Services
DDS	Department of Developmental Services
DMHAS	Department of Mental Health and Addiction Services
DOC	Department of Corrections
DOT	Department of Transportation
ITB	Invitation to Bid
MCO	Office of Healthcare Advocate
OAG	Office of the Attorney General
OEC	Office of Early Childhood
OPM	Office of Policy and Management
OSC	Office of the State Comptroller
POS	Purchase of Service
PSA	Personal Service Agreement
RFP	Request for Proposal
RFQ	Request for Quotation
SCSB	State Contracting Standards Board
SDE	State Department of Education
SOO	Statement of Objectives
SOS	Secretary of State
SOW	Statement of Work

Overview of State Agency Personal Service Contracting

Introduction

Government agencies routinely need specialized services that they cannot provide for themselves and therefore professional service contracting is a common and necessary function. Whatever the reason for seeking professional services, the state agency is faced with two basic tasks: 1) identifying and selecting the professional best qualified to meet the agency's needs; and 2) ensuring that the selected professional understands and provides for the agency's needs in the most cost-effective manner.

A personal service agreement (PSA) is one of the primary mechanisms used by state government for procurement¹ purposes – in fact, agencies are prohibited from hiring a personal service contractor without first executing a PSA. A personal service agreement is a contract that defines the services or end products to be delivered to a state agency by a person, firm, or corporation hired by the state agency for a fee. PSAs are not used for routine services such as janitorial, laundry and cleaning, and security services, or certain consultant services. While a fairly common contracting practice, PSAs still do not make up a large portion of the state's overall expenses for contracting. In FY 13, PSA payments represented only 5.3 percent of the more than \$5 billion in statewide contract spending. In FY 2014, payments by executive branch agencies for personal service agreements totaled approximately \$284 million.

Scope of Review

In late June 2014, the PRI committee authorized a status report on personal service contracting by executive branch state agencies. The purpose of the report was to provide an overview of the current statutory requirements and processes for the selection and monitoring of personal service agreements. In addition, the degree to which competitive PSAs are being utilized was to be quantified. Lastly, best practices for procurement were to be identified. The purchase of services for state agency clients (through a purchase of service (POS) contract), while explained in this report, is beyond the scope of this review.

Methodology

PRI committee staff interviewed personnel from the Office of Policy and Management (OPM) Budget and Financial Management Division, the Office of the Auditors of Public Accounts (APA), the Office of the State Comptroller Accounts Payable Division, the Department of Administrative Services Procurement Division, the Office of the Attorney General, and the State Contracting Standards Board.

¹ Procurement refers to the act of selecting and purchasing goods and services.

PRI reviewed statutes and regulations pertaining to personal service agreements as well as the most recent standards for PSA procurement issued by OPM in late April 2014. Information relating to personal service contracting was obtained from articles, websites, and reports including relevant PRI studies conducted in 1992, 1995, and 2010. PRI staff obtained data from Core-CT, the state's integrated human resources, payroll, and financial system, as well as from OPM's PSA system and OFA's transparency website. Staff also reviewed findings and recommendations from APA annual reports from 2002 to the present, statewide single audit reports, and agency audit reports, as well as results of the 2014 National Association of State Procurement Officials (NASPO) Survey.

Glossary of Terms

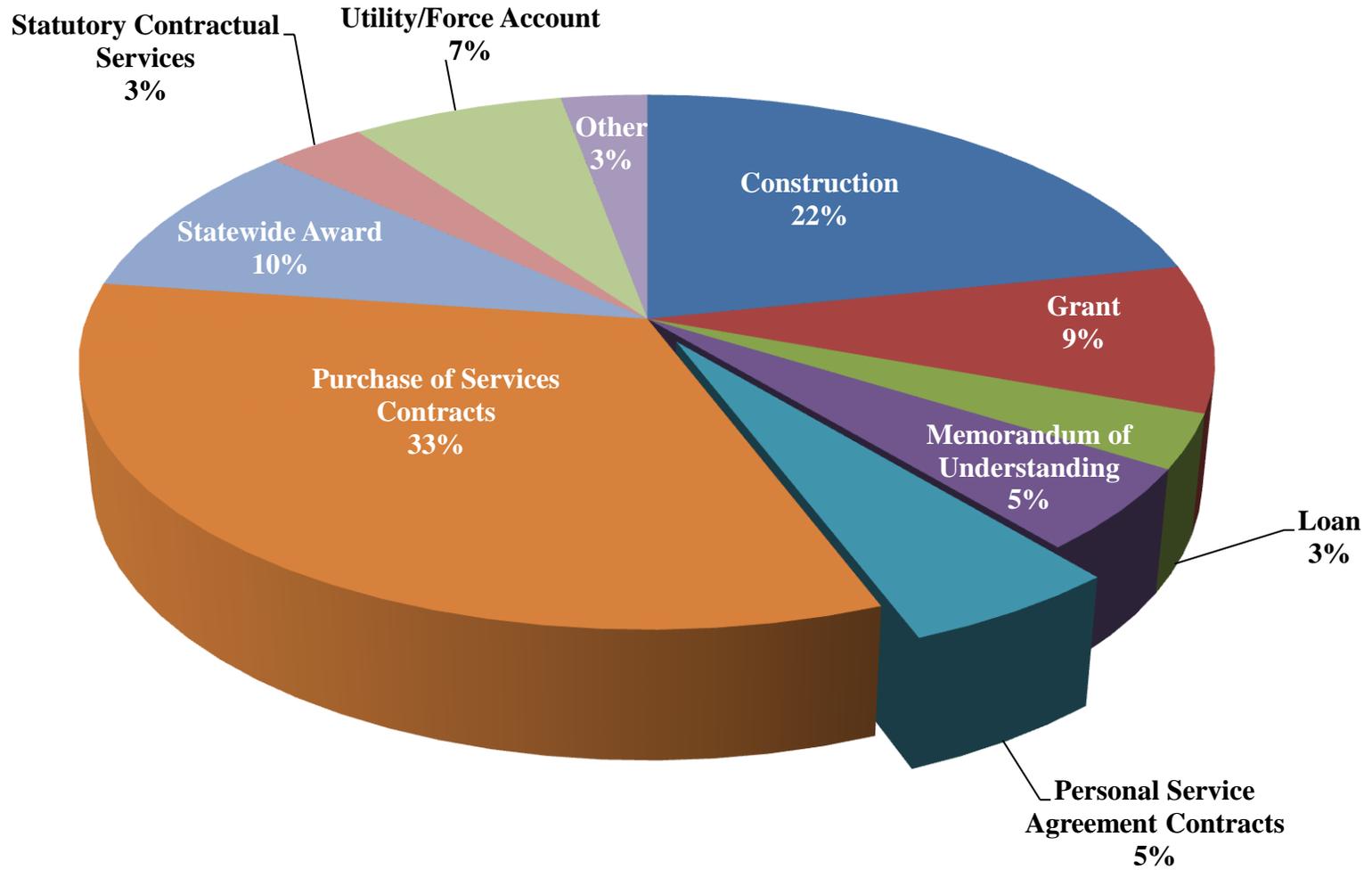
Competitive Bidding – “the submission of prices by persons, firms, or corporations competing for a contract to provide supplies, materials, equipment or contractual services, under a procedure in which the contracting authority does not negotiate prices” per C.G.S. Sec. 4a-50. Competitive bidding is used when the specifications of a product or service are already known and price is the main or only factor in selection. An Invitation to Bid (ITB) is advertised and submitted bids - offers to furnish the specified product or service for a stated price – are opened publicly on a specific due date (per C.G.S. Sec. 4a-57). ITBs are always awarded to the lowest responsible bidder and cannot be negotiated.

Competitive Negotiation a.k.a. Competitive Proposal – a procedure for contracting for services in which proposals are solicited from qualified persons, firms or corporations by a request for proposals (RFP), the proposal deemed to be most advantageous in terms of criteria as designated in the RFP is accepted, and changes may be negotiated in both the proposal and the price after the contract is awarded.

Competitive Quotation – a procedure that allows state agencies to make specifications available to many potential contractors via a Request for Quotation (RFQ), then obtain competitive prices, oral or written, from responsible sources of supply for the applicable commodity, equipment, or service. A minimum of three contractors must be solicited. RFQs are not sealed nor opened publicly on a specific due date, and newspaper advertising is not required (when the resulting contract is less than \$50,000). RFQs are frequently used by state agencies for small dollar value purchases.

Sole Source Procurement – a non-competitive procurement when an agency solicits and negotiates with only one potential contractor due to the fact that there are no others practicably available. This method is permitted when the anticipated cost of a contract is less than \$20,000 or term is less than one year, otherwise pre-approval from OPM is required.

Figure I-1. State Contracting by Type - FY 2013



Source: OFA Transparency website - contract expenditure data for FY 13.

PSA Contracting Authority

Until quite recently, there has been some confusion as to where the authority to contract for personal services is vested in statute. The Department of Administrative Services (DAS), as the state's central procurement organization, is charged under C.G.S. Sec. 4a-51 to contract for all supplies, materials, equipment, and contractual services required by any state agency. (This authority is set out in Chapter 58, entitled Purchases and Printing (C.G.S. Sec. 4a-50 to Sec. 4a-82.) However, the Office of Policy and Management, under other statutes, C.G.S. Sec. 4-212 through Sec. 4-219, has authority to establish standards for, review, and approve most personal service agreements that state executive branch agencies enter into. (This authority is set out in Chapter 55a, entitled Consultants and Personal Service Agreements.)

The issue was how to interpret together the provisions regarding "contractual services" found in Chapter 58 and the provisions regarding "personal service agreements" found in Chapter 55a. (It may be observed that the DAS purchasing statutes (Chapter 58) are several years older than the OPM personal service agreement statutes (Chapter 55a).) The statutes pertaining to DAS purchasing define "contractual services" to mean "any and all laundry and cleaning service, pest control service, janitorial service, security service, the rental and repair, or maintenance, of equipment, machinery and other state-owned personal property, advertising and photostating, mimeographing, *and other service arrangements where the services are provided by persons other than state employees.*" [emphasis added] (C.G.S. Sec. 4a-50(3)). This emphasized clause has been interpreted by DAS as authority to contract for professional services on behalf of state agencies, subject to the competitive requirements in C.G.S. Sec. 4a-57.

In contrast to the contractual services definition, a personal service agreement involves "services or end product to be delivered by a personal service contractor to a state agency..." Further, by statutory definition, a personal service contractor specifically does not include anyone providing contractual services as defined above.

Simply put, the question was whether the DAS authority to contract for "*other service arrangements where the services are provided by persons other than state employees*" permitted DAS to contract for services that would otherwise require a personal service agreement, subject to PSA rules and OPM authority.

The Auditors of Public Accounts (APA) published a performance audit of Personal Service Agreements (OPM/DAS) in 2002 in which they raised the concern that DAS was interpreting its authority to contract for services too broadly, and in doing so, virtually eliminated PSA competitive requirements under OPM. APA recommended DAS seek a formal opinion from the Attorney General in regard to this issue.

In response to APA's recommendation, DAS agreed that the statutes defining contractual and personal services agreements are circular and that clarification would be helpful. When there was uncertainty regarding what authority a particular service falls under, DAS, OPM, and sometimes the OAG, would confer to determine whether the service contract should be awarded under DAS's Chapter 58 authority or under the PSA rules in Chapter 55a. In general, DAS and OPM have agreed that if the request has statewide applicability or if the service will be used by

more than one agency, (i.e. diversity training and lean government consulting) then “it is appropriate, most efficient and in the best interests of the state for DAS to award the contract under its Chapter 58 authority.”²

Nevertheless, DAS sought a written opinion from OAG in the summer of 2014. The Attorney General’s opinion, dated November 18, 2014,³ concluded that DAS has been interpreting its authority under C.G.S. Sec. 4a-51 correctly, and is not limited or restricted by the PSA procurement requirements of C.G.S. Sec. 4-212 to Sec. 4-219, inclusive. C.G.S. Sec. 4a-57 covers competitive requirements for purchases under DAS authority; however, it also provides “shall be based, **when possible**, on competitive bidding or competitive negotiation.” [emphasis added]

While PRI committee staff believe the current interpretation by which professional services with statewide or multi-agency use are procured under DAS makes sense, the statutes should be clarified and thus **recommend:**

The State Contracting Standards Board⁴ shall further clarify the intent of C.G.S. Sec. 4a-50 in relation to the authorization provided to the Office of Policy and Management within the procurement related statutes found in Chapters 50 and 55a and to the definitions as found within Chapter 62 of the General Statutes and submit any proposed changes to the legislature no later than January 1, 2016.

² Auditors’ Report of the Department of Administrative Services for the Fiscal Years Ended June 30, 2008, 2009, and 2010

³ See Appendix A for AG’s opinion dated November 18, 2014.

⁴ C.G.S. Sec. 4e-4(a) gives the State Contracting Standards Board⁴ the authority and responsibility of recommending the repeal of repetitive, conflicting, or obsolete statutes concerning state procurement.

Defining Personal Service Agreements

One of the state's primary procurement mechanisms, a Personal Service Agreement (PSA) is a duly executed and legally binding contract between a personal service contractor and an agency. With the exception of the constituent units of higher education,⁵ any executive branch agency, department, board, council, commission, or institution wishing to enter into a PSA must adhere to the requirements set forth in C.G.S. Sec. 4-212 thru Sec. 4-219. Since July 1, 1994, C.G.S. Sec. 4-213 has prohibited executive agencies from hiring a personal service contractor without first executing a PSA. A PSA defines the services or end product that a contractor will deliver to an agency for a fee. PSAs are typically used to purchase infrequent and non-routine services or end products, such as certain consulting services, technical assistance, and training.

As noted on page 6, C.G.S. § 4-212 carves out “contractual services”, as well as other specific services, from its definition of a personal service contractor. Excluded from the definition are the following: agencies of the federal, state, or municipal government; a person, firm or corporation providing “contractual services” as defined in section 4a-50, to the state; and consultants hired for certain Department of Construction Services (DCS) or Department of Transportation (DOT)-administered construction projects⁶ or information and telecommunications systems.⁷

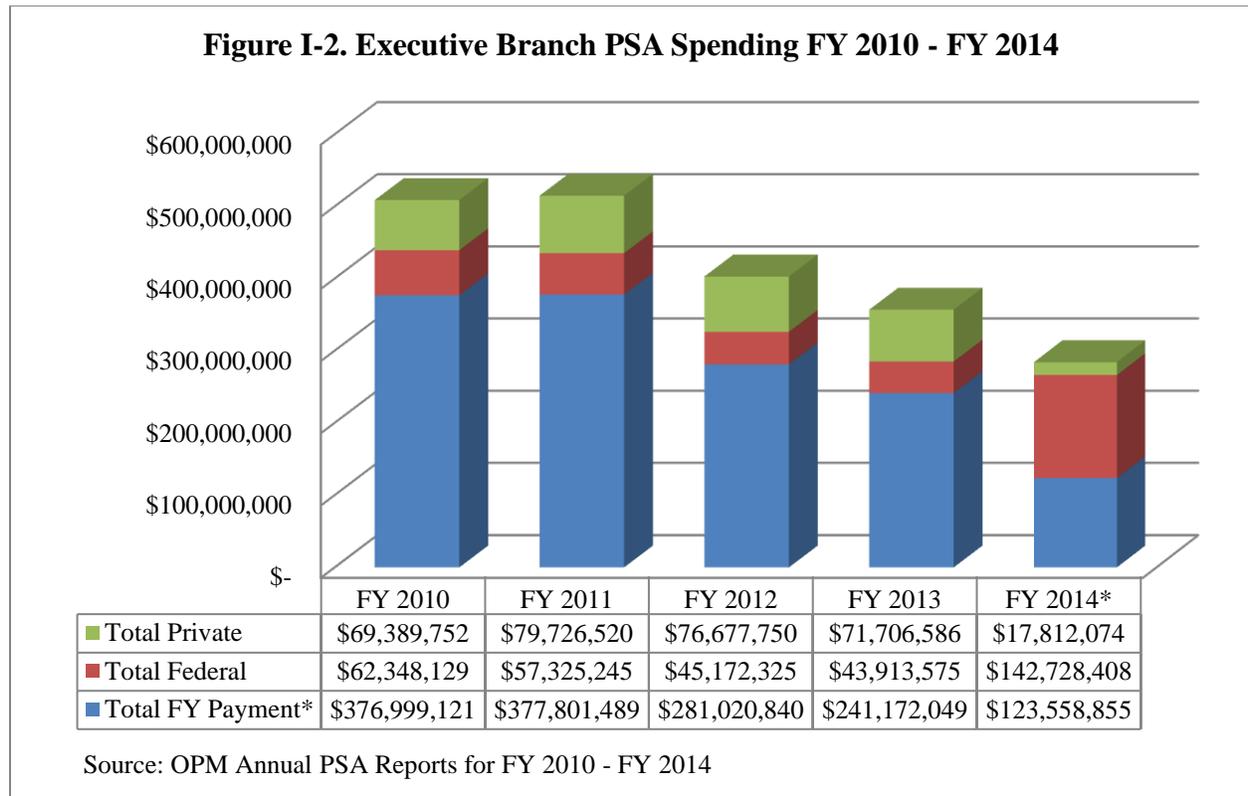
Since PSAs are not widely defined in statute, program review committee staff believed the best picture of such agreements could be obtained by briefly analyzing existing contracts. Among the particular aspects examined were the amounts expended for PSAs, the types of services used, and the processes agencies employ to enter into such contracts.

⁵ C.G.S. Sec. 4a-52a exempts the constituent units of the state system of higher education from the provisions of C.G.S. Secs. 4-212 to 4-219, inclusive. These institutions must adhere to separate requirements which can be found in C.G.S. Sec. 10a-151b.

⁶ As defined in C.G.S. § 4b-55 and § 13b-20b, respectively and subject to separate competitive requirements.

⁷ As defined in C.G.S. § 4d-2(c)(5).

Figure I-2 below provides information on executive branch spending on PSAs over the last five fiscal years. According to OPM’s 2014 Annual PSA Report,⁸ in FY 2014 there were 1,189 active personal service agreements in the executive branch representing \$284 million in expenditures including General, Federal, and Other funds.



*In FY 2014, OPM adjusted its report format. “Total FY Payment” was changed to “Total General Fund Payment” and “Total Private Payment” was changed to “Other Funds Payment.”

⁸ The data presented in OPM’s annual PSA reports are only as accurate as the contract data entered by state agencies into Core-CT.

Within the executive branch, the amount of services purchased using PSAs varies widely by agency. Since FY 2011 there has been a downward trend in overall PSA spending as well as volume, as shown in Figure I-3. It is important to note that this does not include higher education contracting data since they have separate processes and do not typically report information to OPM. Furthermore, OPM recently adjusted the spending categories it reports on in its annual PSA report to the legislature. Whereas in previous years spending categories were “Total FY Payment, Total Federal Payment, and Total Private Payment,” as of 2014 the categories were adjusted to “General Fund Payment,” “Federal Fund Payment,” and “Other Funds Payment.”

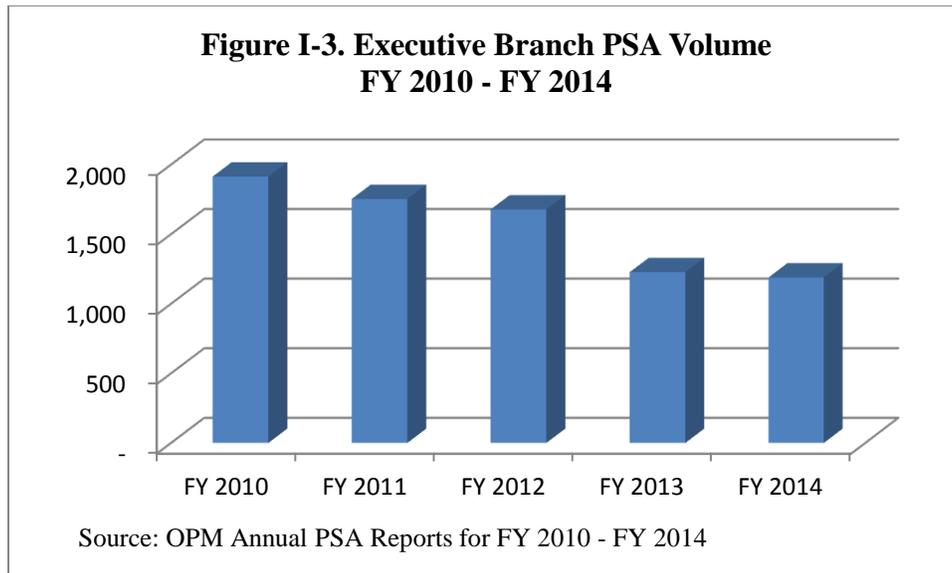
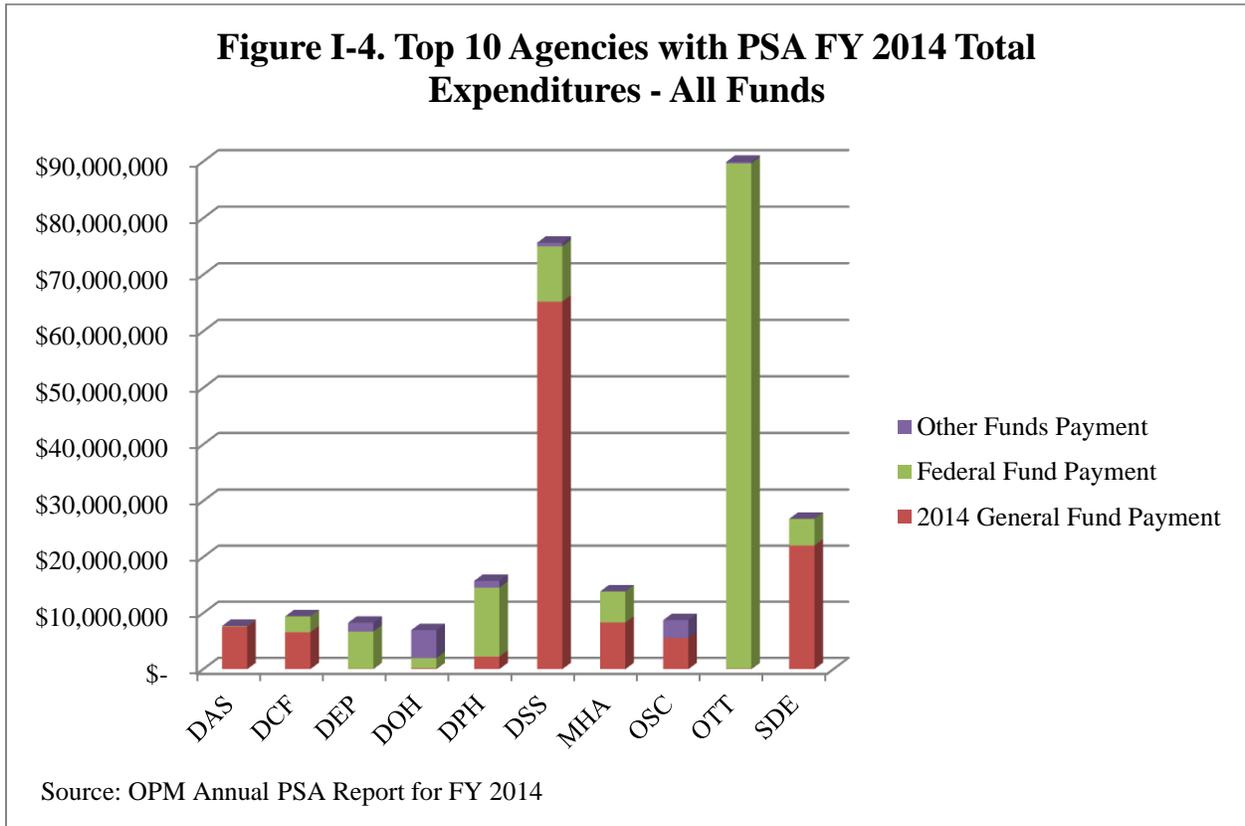


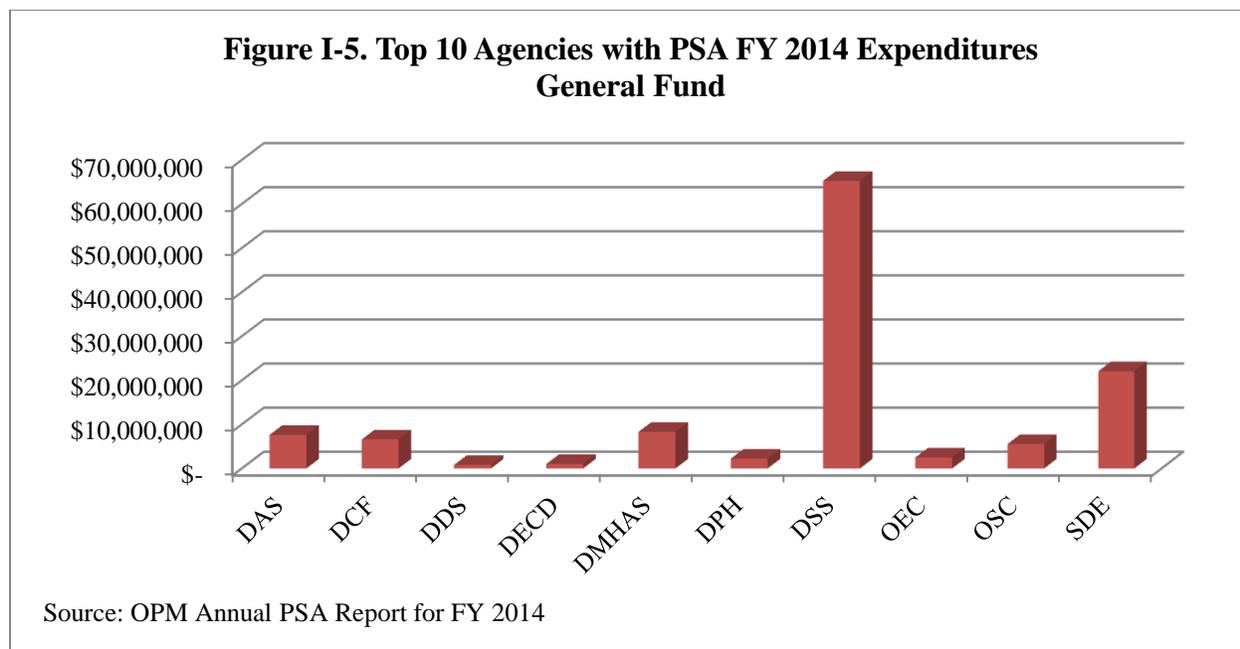
Figure I-4 represents the 10 agencies with the highest level of total expenditures on PSAs in FY 2014 for All Funds. The combined value of the expenditures by those agencies represents 92.6 percent of the total FY 2014 PSA spending. C.G.S. § 4-218 requires OPM to annually submit a report on PSA activity to the General Assembly. According to the 2014 PSA report, the executive branch agencies with the highest amount of payments (General Fund, Federal Funds, and Other Funds) on PSAs in FY 14 are as follows:⁹



A summary of PSA spending for all state agencies in FY 2014 can be found in Appendix B.

⁹ OPM – 2014 PSA Report. Further detail by agency can be found in Appendix B.

Figure I-5 represents the ten executive branch agencies with the highest level of total General Fund expenditures on PSAs in FY 2014. Although the Office of the State Treasurer had the highest amount of total expenditures on PSAs in FY 2014, the majority of the payments were by restricted bond funds under the federal payment category. As a result, OTT does not appear in the top ten agencies when only General Fund spending is factored in.



In terms of volume, the records in Table I-1 represent nearly 75 percent of the PSAs with FY 2014 expenditures. It is interesting to note the agencies that appear in both the high spending and high volume categories – and those that do not. For example, the Department of Public Health had the most number of PSAs in FY 2014 but did not have the highest amount of PSA spending, whereas the Office of the State Treasurer, with the highest FY 2014 total spending did not even rank within the top ten agencies for number of PSAs, reflecting a smaller number of higher-cost contracts.

Table I-1. State Agencies and Number of Personal Service Agreements: FY 2014		
State Agency	Total Number of PSAs in FY 2014	% of PSAs (n = 1,189)
Department of Public Health	194	16.3%
State Department of Education	158	13.3%
Office of the State Treasurer	104	8.7%
Department of Mental Health and Addiction Services	83	7.0%

Table I-1. State Agencies and Number of Personal Service Agreements: FY 2014		
Department of Children and Families	69	5.8%
Department of Emergency Services & Public Protection	64	5.4%
Office of the Attorney General	61	5.1%
Department of Social Services	59	5.0%
Department of Developmental Services	52	4.4%
Department of Administrative Services	45	3.8%
Source: OPM – Annual PSA Reports for FY 2014		

C.G.S. Sec 4–212 defines a personal service contractor as “any person, firm or corporation not employed by the State, who is hired by a State agency for a fee to provide services to the agency.” One way to analyze the types of services PSAs are most commonly used for is by looking at the account category by which they are paid. Statewide, approximately 77 percent of the PSAs with FY 2013 expenditures were assigned to only four categories of services. The account categories with the highest percentage of total PSA spending in FY 2013 were as follows:¹⁰

1. Management Consultant Services (35 percent);
2. Medical Services (20 percent) including three account categories: Medical Program Support Services, Medical Services – For-Profits, and Medical Services – Non-Profits;
3. Educational Services (16 percent); and
4. Pass-thru Grants (6 percent).

Pass-thru grants are services furnished by a state agency via a third party to eligible recipients. The state agency receives no direct benefit as a result of making the grant. This usually occurs when a federal program lacks the organizational capabilities to provide assistance directly to the final recipients and requires support from the state to do so.

A more comprehensive list by account is provided in Appendix C.

¹⁰ Source: OFA Transparency website – contract data for all branches of government for FY 13.

The PSA Process – Statutory Requirements¹¹

By law, the overall cost and duration of a personal service contract determines the solicitation method and requirements for the agreement:

- PSAs costing \$20,000 or less or lasting for one year or less may be based, when possible, on competitive negotiation or competitive quotation; however, it is not statutorily required.

In FY 2014, executive branch contracts under the \$20,000 threshold consisted of 69 competitive and 249 non-competitive PSAs.¹²

- PSAs costing more than \$20,000 or lasting for more than one year are required to be based on competitive negotiation or competitive quotations unless the purchasing agency applies for, and is granted, a waiver from these competitive solicitation requirements from the Office of Policy and Management secretary.

Contracts exceeding \$20,000, and therefore subject to competitive selection requirements, represented 73 percent of PSAs (871 of 1,189) in FY 2014. Of these, 296 PSA contracts were competitive and 575 had competitive requirements waived.¹³

Furthermore, PSAs that are expected to either last for more than one year or to cost more than \$50,000 must be approved by the Secretary of OPM before the solicitation process begins. An agency seeking such approval must submit an online request via the PSA Request website including the following:

1. a description of the services to be purchased and the need for them;
2. an estimate of the cost and the term of the contract;
3. whether the services will be on-going;
4. whether the agency has contracted out for the services during the preceding two years and, if so, the term of the agreement, amount paid, and name of the contractor;
5. whether any other state agency has the resources to provide the services;
6. whether the agency intends to purchase the services by competitive negotiation and, if not, why; and
7. whether it is possible to purchase the services cooperatively with other state agencies.

¹¹ Requirements set forth in C.G.S. Sec. 4-212 thru Sec. 4-219 are the focus of this report; however, separate PSA requirements for competitive bidding and negotiation under DAS do exist under C.G.S. Sec. 4a-57.

¹² OPM- 2014 PSA Report.

¹³ OPM- 2014 PSA Report.

The OPM secretary has 15 business days to approve or deny an application. After fifteen days without action the application is deemed approved.

Additional requirements apply when a state agency contracts with an individual person, as opposed to a firm or corporation. This is done primarily to avoid the state being liable if it is determined that an individual contracted with is actually performing as an employee rather than as an independent contractor. OPM Standards direct the agency to first analyze the work to be performed under the PSA and confirm that the individual will be working in the capacity of an independent contractor and not as an employee. In doing this preliminary analysis, OPM recommends an agency consult the guidelines issued by the Office of the State Comptroller in [Memorandum 94-9](#), *Determining a Worker's Status*.

An agency planning to enter into a PSA with a current state employee must obtain prior approval from OPM regardless of the cost or term of the contract. PSAs with existing state employees must include a dual employment form, *Certification for PSA with Current State Employee (CT-HR-10)*, outlining the specific hours to be worked at the primary job and the hours to be worked under the agreement and signed by both the employing and contracting agencies. Entering into a PSA with a retired state employee is prohibited.

The Office of the Attorney General (OAG) reviews all PSAs exceeding \$3,000 for legal sufficiency as to form. In this review the language of the contract is checked for: statutory authorization for the contracting agency to enter into the particular agreement, inclusion of nondiscrimination and affirmative action provisions, compliance with certain executive orders, and necessary signatures. OAG attorneys also provide legal advice and, when necessary, represent agencies if disputes arise or claims are filed regarding a contract.

After the contract is fully executed it must be entered as a contract in Core-CT, the state's integrated human resources, payroll, and financial system, in order for a purchase order to be created. The Office of the State Comptroller (OSC) processes payments for contracted services. As part of its accounting function, OSC confirms sufficiency of funds to cover contract costs.

Competitive PSA Procurement Process

In FY 14, OPM reported that 365 PSA contracts (31 percent) were competitively procured representing \$194 million, or 68 percent of PSA payments. In general, competitive procurement refers to the purchase of goods or services by an agency through a fair and transparent process in which all qualified contractors have an equal opportunity to apply and to be selected. More specifically, competitive PSAs can be procured in three ways:

1. Competitive bidding¹⁴ – Per C.G.S. Sec. 4a-50 - a procedure (under DAS authority) used when the specifications of a product or service are already known and price is the main or only factor in selection. An Invitation to Bid (ITB) is advertised and submitted bids - offers to furnish the specified product or service for a stated price – are opened publicly on a specific due date (per C.G.S. Sec. 4a-

¹⁴ Requirements set forth in C.G.S. § 4-212 thru § 4-219 are the focus of this report; however, separate requirements for competitive bidding and negotiation under DAS do exist under C.G.S. Sec. 4a-57.

57). ITBs are always awarded to the lowest responsible bidder and cannot be negotiated.

Competitively bid contracts are not statutorily required to be awarded to the lowest-priced bidder, but rather the lowest responsible qualified bidder, who may not necessarily be the lowest-priced bidder. By requiring an impartial and comprehensive evaluation of multiple proposals (i.e., three acceptable proposals is the minimum threshold), the process ensures the selection of the most responsible contractor who can provide the best value to the state.

2. Competitive negotiation – Per C.G.S. Sec. 4-212 and Sec. 4a-50: a procedure for contracting for services, in which (A) proposals are solicited from qualified persons, firms or corporations by a Request for Proposals (RFP), and (B) changes may be negotiated in both the proposal and the price after being submitted.
3. Competitive quotation¹⁵ - procedure that allows state agencies to make specifications available to many potential contractors via a Request for Quotation (RFQ), then obtain competitive prices, oral or written, from responsible sources of supply for the applicable commodity, equipment, or service. A minimum of three contractors must be solicited. RFQs are not sealed nor opened publicly on a specific due date, and newspaper advertising is not required (when the resulting contract is less than \$50,000). RFQs are frequently used by state agencies for small dollar value purchases.

For PSAs, the primary method of competitive solicitation involves agencies utilizing a document called a request for proposals (RFP). An RFP publicly communicates information about what services the agency needs to procure and must include:

1. an outline of the work to be performed;
2. required minimum qualifications for the contractor;
3. criteria for reviewing proposals; and
4. the format and deadline for submitting the proposals.

Interested parties submit written proposals in response to the RFP. The proposals are then evaluated and rated by a screening committee according to pre-defined criteria. The top three highest-ranked proposals are submitted to the agency head who may either: (1) make a selection and offer the selected contractor the opportunity to negotiate a contract; or (2) reject all three proposals if it is deemed they do not meet the agency's needs, and no award is made. In instances when an RFP produces less than three acceptable proposals yet the agency still wishes to proceed with a selection, the agency must first secure OPM permission to make an award.

¹⁵ Although not as easily defined since a definition does not seem to currently exist in statute or regulations, the meaning of competitive quotation is gleaned indirectly from a legislative document search as well as references to RFQs in OPM's *Procurement Standards: For Personal Service Agreements and Purchase of Service Contracts*.

It is worth noting that competitive procurement has a more limited definition in OPM's *Procurement Standards: For Personal Service Agreements and Purchase of Service Contracts* than in statute. The standards define competitive procurement as the use of a RFP only and emphasize this with a prominent message to state agencies:

“IMPORTANT NOTE - Pursuant to statute, a State agency must conduct an RFP process to select a contractor when the anticipated cost or term of a future contract exceeds \$20,000 or exceeds one year.”

Furthermore, an agency seeking OPM pre-approval for PSAs that are expected to either last for more than one year or to cost more than \$50,000 must submit an online request including whether the agency intends to purchase the services by competitive negotiation and provide justification if not. PRI staff agree an RFP process is generally the best method for the complexities of contracting for professional services; however in certain instances, other methods of competitive procurement - as permitted under statute - may be more suitable. This will be discussed further in the following section.

Non-Competitive PSA Procurement Process

A procurement is considered non-competitive when an agency solicits and negotiates with only one potential contractor (“sole source procurement”) or issues an RFP resulting in less than three acceptable proposals. In FY 14, OPM reported that 824 PSAs (69 percent) were non-competitively procured representing \$90 million, or 32 percent, of PSA payments. The sole source method is permitted under certain limited circumstances.¹⁶ Outside of such circumstances an agency must seek a waiver from competitive solicitation and obtain approval from OPM before beginning any discussions with a potential contractor.

C.G.S. Sec. 4-215 requires the OPM secretary to adopt guidelines for determining the type of services that may qualify for a waiver from competitive solicitation requirements. Qualifying services eligible for a waiver include:

1. those for which the cost of a competitive selection outweighs the benefits, as documented by the agency;¹⁷
2. proprietary services (i.e., patent rights);
3. services to be provided by a contractor mandated by the general statutes or a public or special act; and
4. emergency services.

In addition, OPM has discretionary authority to adopt additional types of conditions that may qualify for such waivers. To date, OPM has used this authority to add conditions for (1) services

¹⁶ Sole source procurement is permitted when the anticipated cost of the contract is less than \$20,000 or term of the contract is less than one year.

¹⁷ Detailed justification is required when submitting the waiver request to OPM if the contract cost exceeds \$100,000.

that will be used in specific academic areas that include instructional or research activities, and (2) services that require a contractor with special capabilities or experience.¹⁸

Pursuant to the provisions of C.G.S. Sec. 2-92, APA submits an annual report to the General Assembly that highlights several of its most significant recommendations culled from various audits for legislative consideration. For more than a decade APA has made the following recommendation in regards to Personal Service Agreements:

*The General Assembly should consider limiting the conditions that may be used to justify a waiver from competitive bidding when services are contracted for under a personal service agreement. Limiting such conditions to those that are specifically presented within Section 4-215 subsection (a) of the General Statutes would accomplish that objective.*¹⁹

In making this recommendation, APA takes issue with the additional conditions OPM has adopted as it “could conceivably be argued to exist for any personal services agreement that is entered into with a contractor somewhat experienced in a given field, its use may limit competition and effectively override attempts by the General Assembly to restrict the use of waivers from competitive bidding.”²⁰

Table I-2 below summarizes the various reasons a PSA may be eligible for a waiver from competitive procurement and the frequency in which they are used. Although not automatic, requests for waivers are typically granted (94 percent approval rate). By far, the most common reason cited (more than 90 percent of requests) for requesting a waiver from competitive procurement was that the contractor had “special capability or unique experience.” Program review committee staff concur with the APA assessment that this condition is overly broad and, in support of the APA recommendation, **recommends:**

The General Assembly should consider limiting the conditions that may be used to justify a waiver from competitive bidding when services are contracted for under a personal service agreement. Limiting such conditions to those that are specifically presented within C.G.S. Sec. 4-215 would accomplish that objective.

¹⁸ For this second condition, an agency certifies that competitive procurement would likely result in fewer than three qualified proposals.

¹⁹ APA Annual Reports 2002 – 2013.

²⁰ APA 2013 Annual Report.

Table I-2. Reasons for Approved Waivers of Competitive Procurement		
Waiver Request Justifications*	Frequency	% of Waiver Requests (n = 2,663)
Cost of a competitive selection outweighs the benefits (<i>Sec. 4-215</i>)	1,194	44.8%
Proprietary services (<i>Sec. 4-215</i>)	82	3.1%
Contractor mandated by general statutes, public act, or special act (<i>Sec. 4-215</i>)	446	16.7%
Emergency services (<i>Sec. 4-215</i>)	264	9.9%
Contractor with special capabilities or experience (<i>OPM standards</i>)	2,417	90.8%
*An agency may cite more than one reason for requesting a waiver. Source: OPM PSA Request System data		

The second most frequently cited condition for requesting a waiver from OPM is the cost associated with a competitive solicitation (nearly 45 percent of waiver requests). The RFP process is certainly not without costs – using an agency’s time, staff, and financial resources. This waiver condition recognizes that the requirement to use an RFP can be particularly burdensome for smaller service contracts and therefore may be waived. However, as previously discussed, an RFP is not the only competitive method permissible under law for procuring professional services – competitive quotation is another alternative. If given this option under OPM standards, PRI staff believe agencies may be less likely to request a waiver from competitive requirements and **therefore recommend**

The Office of Policy and Management should consider aligning its definition of competitive procurement within its procurement standards for personal service agreements to include all methods permissible under C.G.S. Secs. 4-214, 4-215, and 4-216 (b).

The PSA Process – OPM Standards

In addition to statutory requirements, an executive branch agency must follow OPM standards when entering into a PSA and receive the secretary's approval for certain amendments to a PSA.²¹ C.G.S. Sec. 4-217 requires the Secretary of OPM to establish standards for state agencies to follow when entering into a PSA by March 1, 1994. OPM's most recent update to its established standards was effective as of April 29, 2014. Pursuant to this statute, the standards include, but are not limited to:

1. evaluating the need for a PSA;
2. developing a request for proposals (RFP);
3. advertising for contractors;
4. evaluating submitted proposals;
5. selecting a contractor, including compliance with the state's supplier diversity program for small contractors and minority businesses;
6. monitoring and evaluating contractor performance;
7. documenting the process for selecting and managing contractors; and
8. carrying out any other aspect of such process.

Also pursuant to Sec. 4-217, each agency was required to establish its own written procedures for implementing OPM's procurement standards for PSAs and submit them for OPM approval by May 1, 1994.²² On and after July 1, 1994, no agency may enter into a PSA unless the agency's written procedures have been approved. After updating its standards earlier this year OPM directed all agencies to submit their updated written procedures for implementing the standards by November 15, 2014. As of early December 2014 only four agencies (DDS, DMHAS, DOT, and SOS) had complied.

Evaluating the Need for a PSA

Contracting for professional services should be a last resort, with OPM expecting agencies to first consider using their own in-house resources or collaborating with another state agency to meet the need. Nevertheless, there are legitimate reasons for contracting services, the most common being (1) the need for outside expertise; (2) the lack of internal resources; or (3) the need for independent judgment or objectivity.

²¹ As noted earlier, the constituent units of higher education and DAS are exempt from OPM standards.

²² It should be noted that all OPM PSA procurement standards, and an agency's written procedures incorporating these standards, apply to PSA as well as POS contracts, with additional standards applying only to POS contracts. This is due to the Office of the Attorney General issuing Formal Opinion No. 031 in November 2005, stating that there is no legal distinction between a personal service agreement (PSA) and a purchase of service (POS) contract, however OPM may choose to establish administrative procedures to administer them differently.

Two of these justifications -- the lack of internal resources and the need for objectivity -- are fairly easily assessed by an agency, while the third -- whether expertise can be obtained in a cooperative manner from, or purchasing with, another state agency -- is more challenging to assess. There does not seem to be a standardized portal by which state agencies can communicate such needs with one another, as well as what agencies may be able to offer to one another. The two existing sources of data on PSAs -- OPMs PSA Request system and Core-CT -- are not structured in a way to make cooperative opportunities easily identifiable. According to its Director of Procurement, DAS has the experience, resources, and willingness to procure additional services with multi-agency applicability; however identifying such opportunities is the greatest challenge.

Once an agency has determined it will seek outside assistance for services, it must outline the work to be performed and determine the anticipated cost and term of the contract. The outline of work must include information about the contract's purpose, scope, activities, deliverables, outcomes, and timeline. Any generally accepted methodology may be used to estimate the contract's cost, but it must be expressed as a "not to exceed" amount. This cost is typically not revealed in the RFP.

Developing a Request for Proposals

A proposal usually consists of two basic parts: (1) a main proposal, which presents how the requested services would be provided; and (2) a cost proposal. An agency needs to decide if it wants the cost details immediately visible (a "one-part" proposal) or if it wants this information submitted under separate cover from the main proposal (a "two-part" proposal).

One-part proposals are easier to understand and quicker to evaluate and are used for lower-cost or less complicated projects. Two-part proposals enable the screening committee to focus first on the quality of the main proposal, without any bias with respect to its cost and are recommended by OPM for use in more complex and significant RFPs.

By law an RFP must include the criteria that will be used to evaluate submitted proposals -- the use of any additional criteria is prohibited. After the evaluation criteria are determined, they must also be weighted according to their relative importance. These weights are generally not disclosed in the RFP unless there is a compelling reason to do so.

Advertising for Contractors

All legal notices and RFPs must also be published on the agency's website. Pursuant to Executive Order 3 under Governor Rell, all bids, RFPs, related materials, and resulting contracts and agreements must be posted on the State Contracting Portal maintained by DAS. In addition, an agency may directly mail legal notices to any potential contractor who may be interested in responding to the RFP as well as relevant DAS-certified small and minority-owned businesses.²³ OPM standards recommend agencies advertise in major newspapers having either statewide or regional circulation when the anticipated cost of the contract is more than \$50,000 and require agencies to do so for contracts anticipated to cost over \$250,000. An agency may also choose to

²³ As required by the Regulations of Connecticut State Agencies § 46a-68j-30(9).

advertise in appropriate industry, trade, or professional publications. Mailing and publication in print or online should occur simultaneously, however.

The agency must designate one of its employees as the official contact for all communications with outside parties concerning the RFP. It is not permissible for this liaison to be a member of the Screening Committee. Steps should be taken to prevent ex parte communications to avoid any proposer from obtaining an unfair advantage.²⁴

Evaluating Submitted Proposals

The review of proposals must be done by a screening committee composed of three or more individuals. The agency head (or designee) must appoint the members and chair of the committee. At the start of the agency's RFP process, all participants must sign an ethics and confidentiality agreement to attest that they do not have a conflict of interest and will abide by the standards of conduct set forth in the State's Code of Ethics (C.G.S., Chapter 10). After opening the submitted proposals and the identities of the proposers become known, these agreements must be reviewed and endorsed by the participants.

After the deadline, timely proposals receive a preliminary review to determine if they meet the minimum submission requirements. Any proposals received after the deadline must be immediately disqualified. If permitted by the evaluation plan, the Chair may ask the official agency contact to notify any proposer who has submitted a proposal with a minor deficiency and allow the proposer a short time frame (i.e., 24 hours) to remedy the error or be disqualified from further review. Typically, proposals are first evaluated and rated by individual screening committee members, then discussed together with the committee. Individual ratings are combined and averaged, then multiplied by the criteria weights, with the results added together to determine the final rating.

Selecting a Contractor

The top three highest-ranked proposals are submitted to the agency head who may either (1) make a selection and offer the selected contractor the opportunity to negotiate a contract; or (2) reject all three proposals if it is deemed they do not meet the agency's needs and no award is made. In instances when an RFP produces less than three acceptable proposals yet the agency still wishes to proceed with a selection, the agency must first secure OPM permission to make an award.

Monitoring and Evaluating Contractor Performance

In regard to performance monitoring, OPM has three requirements of agencies: (1) assigning an employee to monitor the contract, (2) documenting the agency's contract management process in its written procedures, and (3) preparing a written evaluation of the contractor's performance upon contract completion.

²⁴ Ex parte communication is the transmission of information that is (1) not part of the public record and (2) not generally available or shared with all participants of the RFP process.

According to OPM, the responsibilities of the agency's contract manager may include, but are not limited to, the following:

1. coordinating the flow of information between the agency and the contractor;
2. responding to requests from the contractor;
3. authorizing contractor payments against the contract's budget;
4. monitoring progress against work schedules or milestones;
5. reviewing and approving deliverables;
6. taking corrective action when a contractor's performance is deficient;
7. resolving disputes in a timely manner;
8. maintaining appropriate records; and
9. engaging in collaborative discussions geared toward service delivery improvement.

At a minimum, the agency's contract management procedures must identify and describe the types of documentation – e.g., budgets, reports, and outcome measures – that the agency commonly uses to manage and monitor its contractors. If an agency has a problem with a contractor, it is the agency's responsibility to try to resolve the problem. If the matter cannot be resolved, the agency should contact the attorney general's office. OAG will determine if any action can be taken.

Within 60 days after a contract's completion date, an agency must prepare a written evaluation of the contractor's performance using OPM's *Personal Service Contractor Evaluation* form and submit it electronically (see Appendix D). The evaluation form asks the agency to rate the contractor on a scale of zero to five (0 = Not Applicable; 1 = Unsatisfactory; 2 = Fair; 3 = Satisfactory; 4 = Superior; 5 = Excellent) in eight performance areas:

- | | |
|---------------------|----------------------|
| 1. Quality of work; | 5. Financials; |
| 2. Reliability; | 6. Compliance; |
| 3. Key personnel; | 7. Independence; and |
| 4. Supervision; | 8. Cooperation |

Explanations are required for any less than satisfactory ratings. After review, OPM saves the evaluation by vendor name. According to OPM, agencies typically comply with this requirement. When outstanding evaluations are due, OPM has sent a reminder e-mail.

Documenting the Process

According to statute and OPM standards, an agency must establish an official project file containing all the essential documents related to the contractor selection process. This documentation must be detailed enough to enable someone with no knowledge of the process to reconstruct an accurate account of what occurred. At a minimum, the project file must include:

- outline of work
- any applicable approvals (from OPM, DAS, OAG)
- original contract
- any contract amendments
- required affidavits, certifications, or affirmations
- final evaluation of the contractor

Additional documentation is required if an agency conducts an RFP.

PSA Amendments

Changes to existing contracts are handled through what is known as an amendment. An expired contract cannot be amended. An amendment is “a formal modification, deletion, or addition to an existing contract that is negotiated and agreed upon by all parties.”²⁵ By law, an amendment to a contract requires the approval of the OPM secretary when:

1. the original contract cost was more than \$50,000;
2. the amendment costs 100% or more of the original agreement;
3. the amendment increases the agreement’s cost to more than \$50,000;
4. the amendment extends the terms of the agreement beyond a one-year period; or
5. the amendment is the second or subsequent amendment.

To apply for approval for such amendments, an agency must submit a *Request For Amendment* to OPM via the PSA Request website. The secretary has 15 business days to approve or disapprove a proposed amendment. After fifteen days without action the application is deemed approved.

The law prohibits PSAs with an individual from having a term of more than one year. These agreements can be extended or renewed for an unlimited term, but the agency must notify the Department of Administrative Services commissioner, Labor and Public Employees Committee, and appropriate collective bargaining representative of the extension or renewal.²⁶ Finally, any amended contract exceeding \$3,000 must be approved by the Attorney General’s Office.

There is no existing reporting requirement for PSA amendments and their resulting impacts. Until 2014, it was not possible to isolate amended contracts in Core-CT as there was no specific means of coding for amendments. Original contract information in Core-CT would get updated and overridden if the contract was amended, making it impossible to determine the prevalence of amendments, percentage of PSAs that were amended in a given year, or to identify what aspects (i.e., cost, term) were changed as a result of the amendment.

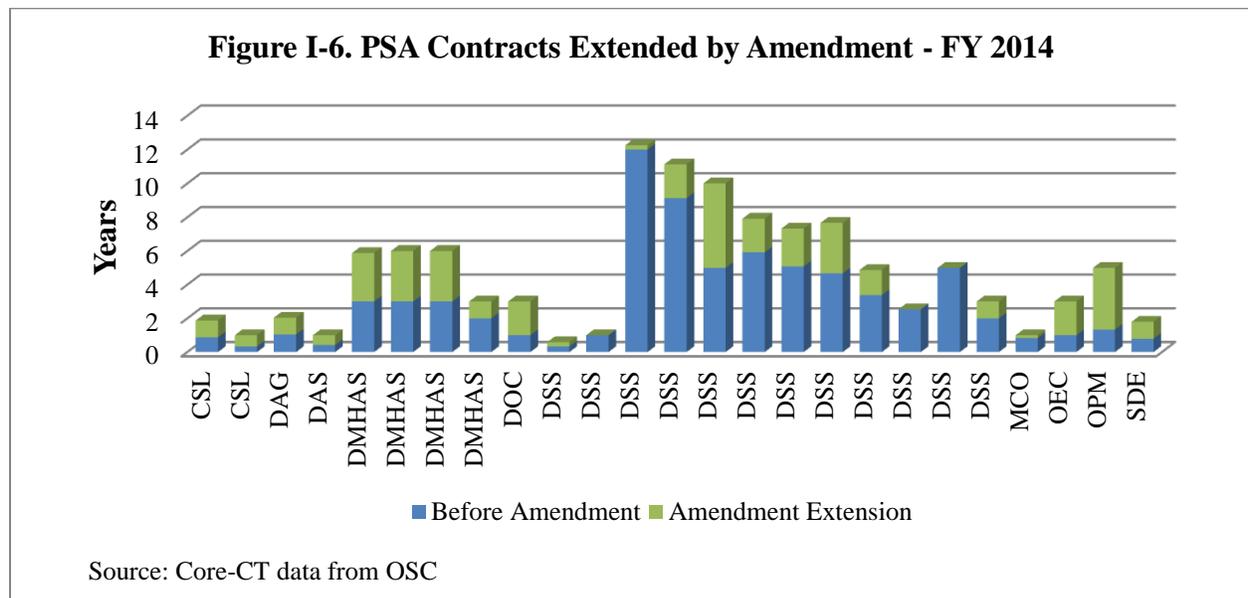
Beginning in FY 2014, Core-CT can store multiple versions of a contract. As a result, any new version of a contract since 2014 is saved in Core-CT as a subsequent version of the original contract, without overriding original contract information. Amendments prior to the implementation of this new functionality are not affected, however.

²⁵ Per OPM - *Procurement Standards: For Personal Service Agreements and Purchase of Service Contracts*.

²⁶ Per C.G.S. Sec. 4a-7a(b).

At PRI staff request, the Office of the State Comptroller extracted data from Core-CT for any PSA contract that had been amended (defined as having more than one contract version) in FY 2014. The query resulted in 25 PSA contracts. Figure I-6 below shows these contracts in terms of duration in years – before and after the FY 2014 amendment. It should be noted that many of these contracts were likely amended previously; however any amendments before FY 2014 would not have been captured in Core-CT.

The contract terms of this sample range from less than one year to as long as twelve years, with the majority having terms between two and six years. One can visually see that many amendments have doubled the duration of the contract. The primary concern with longer-term contracts is whether the state continues to receive the greatest value, particularly in the out-years when the services have not been competitively procured in the marketplace for many years. This problem can potentially be amplified when contracts are further extended beyond their original expiration date through amendments.



Another way to analyze PSA amendments was to look at data from OPM's PSA System, although the system has its limitations. The system only collects data on amendments requiring OPM approval and therefore is not as comprehensive as Core-CT. In addition, within the data there could be multiple records for the same PSA, reflecting multiple amendments, which could result in misinterpretation. Nevertheless, the PSA System has several years-worth of data - unlike Core-CT - and therefore can help to give a more well-rounded perspective on the issue. Figure I-8 shows the number of PSA amendments submitted for approval through OPM's PSA system for the fiscal years 2007 through 2014, averaging 300 amendments annually.

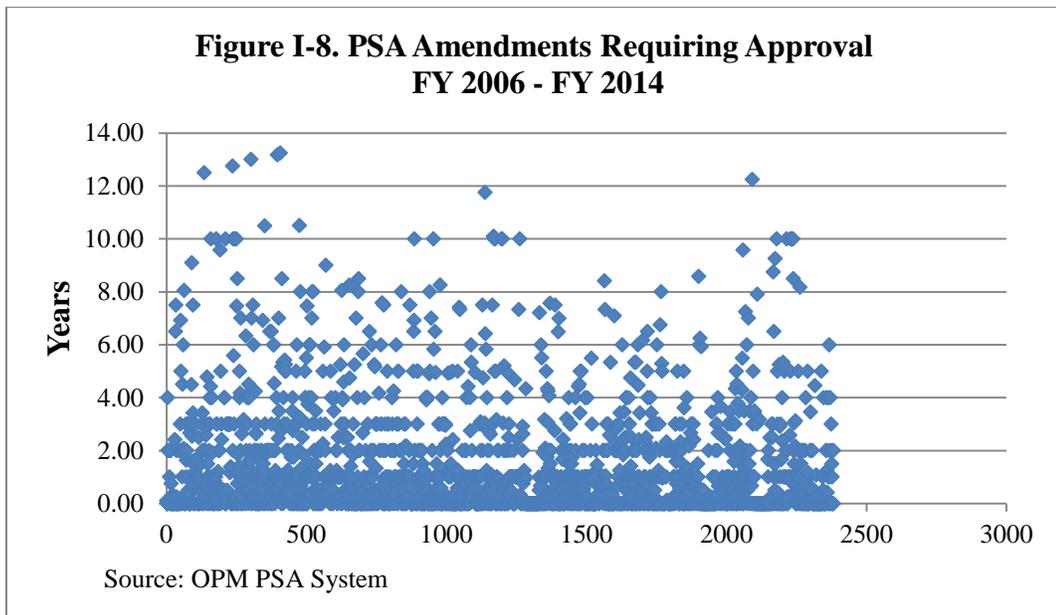
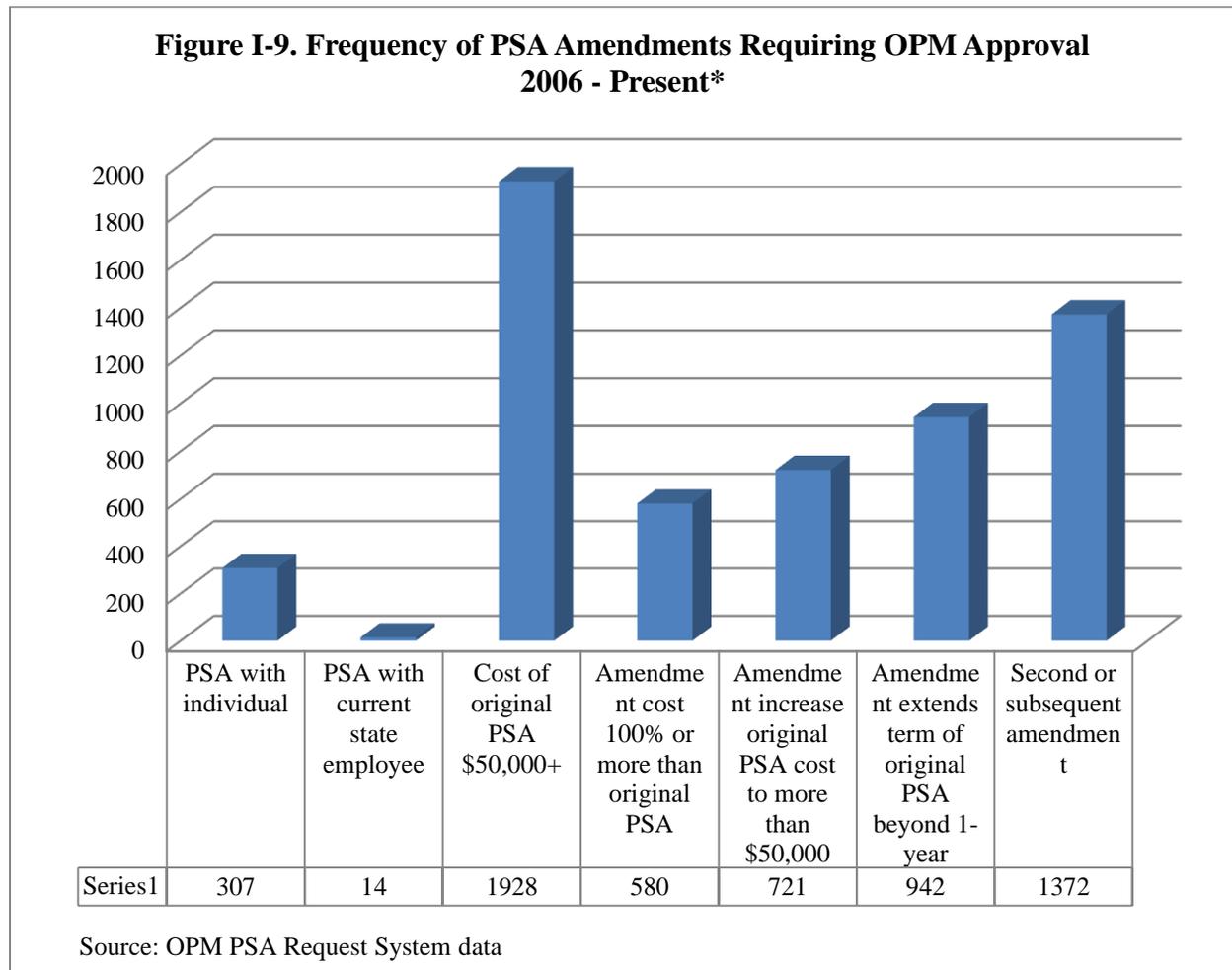
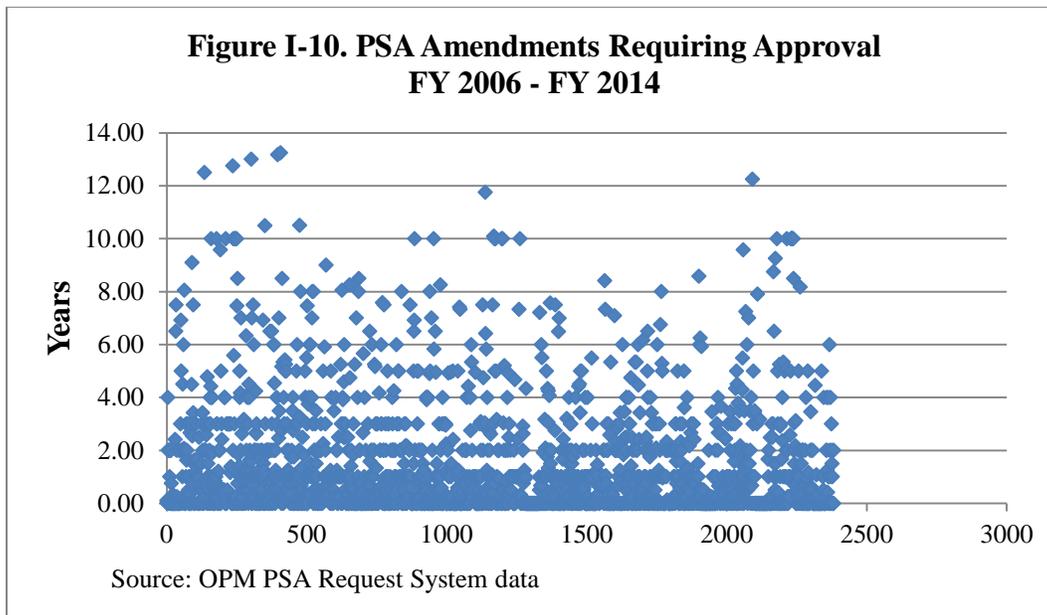


Figure I-9 below provides the reasons and frequency by which amendments required OPM approval.



**Note - an amendment may require OPM approval for more than one reason.*

According to OPM’s PSA System, there were 239 amendments requested in FY 2014 at a total additional cost of \$147.4 million. At PRI staff request, OPM extracted data from its PSA Request System relating to agency requests for approval of amendments to PSAs. Figure I-10 below depicts the amount of time, in years, PSA contracts were extended through an amendment. It should be noted six outliers were removed from the data set.



Although the majority of PSA amendments fall under four years in duration, one can visually see that many are longer-term contracts of five years or more. Again, this raises the question of whether the state continues to receive the greatest value when, in some instances, services have not been competitively procured in the marketplace for a decade.

Based on the limitations of the amendment data available, PRI staff did not have enough information to determine whether contracts were extended for valid reasons or should have been allowed to expire and procured again. PRI staff believe the improved functionality of Core-CT offers the opportunity for reporting on PSA amendments and therefore **recommend:**

In its annual report concerning personal service agreements to the General Assembly, the Office of Policy and Management should report on any amended contracts that have been altered in terms of cost or duration beginning no later than November 1, 2015. Adding such conditions to the existing reporting requirements within Section 4-218 of the General Statutes would accomplish this objective.

Best Practices

The defining characteristic of performance-based contracting is the intentional shift of focus from the work performed to the outcomes of that work. The traditional government procurement model -- characterized by low trust of contractors, decentralized decision-making, and a focus on following strict procurement rules -- is encouraged in law, regulations, and the way in which contracts are managed because of the need to be seen as impartial trustees of public resources. In contrast, a partnership-oriented procurement approach -- requiring high trust in the project team, effective executive leadership, and a focus on accountability for results -- has been highly effective in the private sector and is seen as key to delivering services crucial to the public good.²⁷

In the 2006 report entitled “Effectively Managing Professional Service Contracts,”²⁸ researchers interviewed senior government managers, other experts in government contracting, government project managers, and contractor project managers in a variety of industries, as well as conducted a literature review in order to identify best practices for managing professional services contracts. The twelve best practices are summarized in Table I-3 below.

Table I-3. The 12 Best Practices for Managing Professional Services Contracts	
Phase of the Contract Process	Best Practice
<p>Phase 1: Obtaining contract support.</p> <p>This is the phase in which government solicits bids and chooses the contractor. Starting with clear objectives, choosing the optimal contract type, and ensuring the fairness of this process are among the best practices noted in this phase.</p>	<p>Best Practice 1: Clearly define expectations of success for the contract</p> <p>Best Practice 2: Use a contracting approach that supports a partnership with the contractor</p> <p>Best Practice 3: Define and follow a fair bidding and awarding process</p>
<p>Phase 2: Orienting team members.</p> <p>This is the initial phase of the project.</p> <p>One key issue in this phase involves training for contractors in the culture and norms of the customer’s environment.</p>	<p>Best Practice 4: Provide orientation for contractors</p>

²⁷ Fisher, Sandra L., Wasserman, Michael E., and Paige P. Wolf, “Making Performance-Based Contracting Perform.” IBM Center for the Business of Government report. According to its mission statement, the center seeks to “improve the effectiveness of government with practical ideas and original thinking.” It does this by funding independent third-party research, publishing a bi-annual magazine, producing a weekly radio interview program, convening discussions with practitioners and academics, and hosting forums and various blogs and other online content.

²⁸ Supported by the IBM Center for the Business of Government.

Table I-3. The 12 Best Practices for Managing Professional Services Contracts

Phase of the Contract Process	Best Practice
<p>Phase 3: Executing the contract.</p> <p>This phase covers the bulk of the contract in which the service is provided. Key issues in this phase include enhancing productivity, promoting adaptability, clearly defining roles and norms, managing turnover, motivating the team, measuring performance, and establishing clear communication processes.</p>	<p>Best Practice 5: Develop an integrated project team to enhance productivity and the ability to adapt to changes</p> <p>Best Practice 6: Clearly define roles and expectations for government and contractor staff</p> <p>Best Practice 7: Actively manage staff and contractor turnover</p> <p>Best Practice 8: Motivate and reward contractors to increase commitment and decrease turnover</p> <p>Best Practice 9: Regularly monitor performance and provide feedback</p> <p>Best Practice 10: Establish clear communication processes among project team members</p>
<p>Phase 4: Documenting new knowledge.</p> <p>This phase refers to later stages of the project in which it becomes important to document project results and activities. Key issues in this phase include how to encourage and reward knowledge management behaviors and how best to use existing knowledge management techniques.</p>	<p>Best Practice 11: Use knowledge management practices to enhance project performance in spite of short-term costs. Knowledge management refers to the process of capturing, developing, sharing, and effectively using information, skills and experiences across an organization.</p>
<p>Phase 5: Capturing lessons learned.</p> <p>This phase focuses on the end stages of the project in which the project is concluded, offering managers the opportunity to reflect on lessons learned during the project and identify ways to capitalize on these lessons in future endeavors.</p>	<p>Best Practice 12: Use After Action Reports to help managers apply lessons learned to other projects and contexts</p>

PRI staff used the Best Practices outlined in Table I-3 and, where possible, made a summary assessment if and how Connecticut's practices mirror the model.

Best Practice 1: Define Expectations for Success

The diversity of services that can be covered under a PSA can make it challenging to best define and measure the quality of the services to be delivered. Using a Statement of Objectives (SOO) rather than the more traditional Statement of Work (SOW) is recommended to meet this challenge. Whereas a Statement of Work describes the agency's requirements for the project and identifies specific work to be performed, a Statement of Objectives summarizes the agency's objectives, goals, and outcomes in order to allow potential contractors to propose solutions, including a technical approach, performance standards, and a performance assessment plan.

Connecticut. Per OPM procurement standards, an agency must develop an outline of work that provides, at a minimum, the contract's purpose, scope, activities, deliverables, outcomes, and timeline. OPM provides "suggested areas of inquiry" within its standards to stimulate agency thinking on each of these components. Requiring the inclusion of outcomes in the outline of work is in keeping with best practices; however, agencies are also still being asked to define the work itself, which best practices leave to the proposals of potential contractors in the RFP process.

Best Practice 2: Partnering with Contractors

The most effective partnerships with contractors are established *before* the contract is signed. There are a number of inventive approaches for insuring the contract itself supports a partnership between the agency and future contractor. One way to do this is to involve potential contractors in the pre-award planning stage. In one cited instance, a contract team issued a Request for Information early in the procurement process.²⁹ Potential service providers were engaged in discussions, provided feedback on draft documents resulting in a Statement of Work that reflected provider input and facilitated innovative proposals.³⁰ Asking potential contractors to propose the criteria for rating their performance is a second method for building a partnership. Submitted quality standards can then be used as one of the deciding factors in awarding the contract. Agencies choosing to engage with potential contractors before a contract is awarded should be careful to avoid ex-parte communications. However this should not preclude any interactions, particularly when new areas of service are being contracted and provider input at the planning stage can be quite useful.

Contract incentives, if structured properly, can also strengthen partnerships. The most effective incentives share the risk and reward between agency and contractor. For example, a contract may specify that a contractor must perform a service in a way that saves the state \$1 million annually, with a percentage of any additional savings being awarded to the contractor. Such a provision could inadvertently encourage a contractor to sacrifice quality services over cost savings, however. Thus, any financial incentives should be tied to other performance

²⁹ A Request for Information (RFI) is used to collect written information about the capabilities of various suppliers and is typically done as a preliminary step before an ITB or RFP is administered.

³⁰ IBM Center for the Business of Government

metrics. Furthermore, criteria and processes for awarding incentives should be clearly defined in the contract document rather than left to the discretion of a contract manager.

Connecticut. OPM procurement standards do not address the use of pre-award planning approaches, such as the use of RFIs, or contract incentives. In its 2010 report, the Commission on Enhancing Agency Outcomes (CEAO) recommended the expanded use of contingency contracts. The use of such techniques by agencies in PSA contracting is unknown, and would require review of individual contract procurement processes to determine. However, PRI staff believe that more can be done to encourage the use of performance-based contract provisions.

Best Practice 3: Fair Bidding and Award Process

Although competitive procurement is designed to allow all qualified contractors an equal opportunity for being selected, the time-consuming and uncertain nature of the process can still be a disincentive for some contractors to submit a proposal. One interviewee from the U.S. Department of Defense suggested compensating losing proposers if the agency ultimately can use ideas developed in their proposals. And while this option may not be feasible due to state budgetary constraints, other low or no-cost means of reducing barriers – such as streamlining processes – can help to increase participation.

Connecticut. The increased use of technological resources such as the State Contracting Portal and online bid submissions has saved agencies as well as qualified contractors valuable time and money during the competitive procurement process. However, room for improvement always exists to further modernize and streamline procurement practices.

Best Practices 4, 5, & 6: Orienting and Integrating the Project Team

By definition, a partnership requires effort on both sides of the relationship. One of the most common themes heard from interviews the researchers conducted on both the government and contractor sides was the need to create a cohesive project team out of groups of people with different roles and, to some extent, different objectives. Giving contractors a seat at the table instead of the periphery of the room, assigning on-site contracting staff equivalent office space, and establishing shared goals are ways the project environment can help rather than hinder team development.

While a PSA focuses on the work to be delivered by a contractor to an agency, a successful contractor also requires ongoing support from agency personnel. Agency activities include communicating with contractors, including contractors in relevant meetings, and providing feedback on contractor work. Yet supporting contractors should not translate into micro-managing. Good government managers allow the contractor flexibility to get the contracted job done.

While it is considered a best practice to orient contractors to the state agency (key areas such as the agency's history and culture, relevant policies and regulations, and even jargon used) and what their role is in the project, little attention is spent educating agency team members on the private sector and how professional service firms work. For instance, by understanding the impact of change requests on a contractor's time frame and costs, agency team members are

more aware of their role in clearly articulating needs and requirements to minimize the need for any.

Connecticut. OPM procurement standards do not offer guidance regarding the techniques agencies may use to most effectively execute contracts. The use of specific contract management techniques is unknown, and would require review of individual agency contract management processes to determine.

Best Practices 7 & 8: Manage Turnover, Motivate, and Reward Contractors

Efforts to build a strong team are challenged by possible turnover of staff on either side of the partnership. Researchers noted several interviewees described “bait and switch” techniques whereby the highly skilled personnel used in the proposal phase are replaced by less experienced personnel once the contract is finalized. Designating certain individuals as key personnel within the contract can help mitigate this issue.

Yet contractor and government personnel may still leave the project on their own for better compensation or to further a career. Agencies may want to consider including the stability of a potential contractor’s workforce as criteria in the RFP process. Breaking down multi-year contracts into tasks with shorter durations of six months or less is another method to mitigate the risk of turnover. Finally, there are numerous ways to combat burnout such as communicating the big picture impact of the team’s work and rotating roles when possible to foster professional development.

Although agency project managers direct the work of contracting staff, they technically are not their supervisors. Nevertheless, non-monetary rewards such as thank you letters can be an effective motivational tool. Project managers can also contact supervisors and encourage staff be rewarded for performance above and beyond what is contractually required. Finding creative ways to recognize efforts builds motivation for the project.

Connecticut. As stated above, OPM procurement standards do not offer guidance regarding the techniques agencies may use to most effectively execute contracts. The use of specific contract management techniques is unknown, and would require review of individual agency contract management processes to determine.

Best Practices 9 & 10: Monitor Performance, Give Regular Feedback, & Communicate Clearly

Performance-based contracting requires periodic assessment of contractor performance. Regular assessment of key metrics can identify when performance starts to slide and can often be corrected with minor adjustments. Waiting until performance is unacceptable before addressing it will require significantly more time and effort to resolve and may damage the partnership.

Not surprisingly, the most frequent recommendation researchers heard from nearly all of the interviewees was that clear, regular, honest communication is the key the success of any service contract. Expectations are communicated through various means including contract documents, training for team staff, and performance measurement. For example, lengthy contract

documents written in legal jargon may be more easily understood by streamlining and simplifying to communicate the most critical information.

Connecticut. After outlining PSA procurement processes in great detail over more than 25 pages, the OPM procurement standards for PSAs give little attention (less than two pages) to how an awarded PSA contract should be monitored and evaluated. Each individual agency is tasked with its own contract management. An agency is required, however, to prepare a written evaluation of the contractor's performance and submit it to OPM within 60 days after a contract's completion date. It should be noted that when a contract is routinely extended, an evaluation may not be completed for several years. OPM has considered posting vendor evaluations alphabetically online, but has not yet done so. While this step would allow other agencies to more easily ascertain past performance of potential vendors being considered, there is also the risk that evaluations may be less honest if reviewers know their assessments will be publicized, particularly with vendors who routinely do work for an agency. There currently are no consequences or follow-up on the part of OPM for evaluations with less-than-satisfactory ratings. PRI staff believe contractor evaluations, as currently utilized, are more perfunctory than meaningful and **therefore recommend:**

The Office of Policy and Management should determine ways in which the current process of evaluating personal service contractors can be improved and make necessary revisions to the standards established for personal service agreements, as outlined in C.G.S. Sec. 4-217, beginning no later than January 1, 2016.

Best Practices 11 & 12: Use Knowledge Management Practices & Apply Lessons Learned

Fundamentally, most PSAs consist of a contractor providing some form of intellectual or technical expertise for a fee. Knowledge management³¹ therefore plays a critical role in the success of a PSA and securing the best value for the state's investment. Effective knowledge management can help ensure that: (1) an agency understands how to use the tools, processes, or products that were developed once a contractor completes the project; and (2) that lessons learned from the first contract for ongoing services are communicated to the next contractor.

Unfortunately, knowledge management is typically underutilized as it can require time and money – resources in short supply. Several interviewees told the researchers that formal reporting of knowledge learned was seldom done and usually cursory on the rare occasion it did happen. Failure to transfer knowledge, however, may have significant operational and financial impacts such as continued long-term reliance on outside consultants. In some instances, knowledge-based outcomes should be included in the contract as deliverables, such as an employee training guide. In general, according to interviewees, a strong partnership between government and contractor seemed to deepen the sharing of knowledge.

Capturing lessons learned over the course of a contract -- practices to follow as well as ones to avoid, new technology, tools, and even the contracting process itself – is an important part of knowledge management. After Action Reports (AAR) are a managerial tool that the U.S.

³¹ Knowledge management refers to the process of capturing, developing, sharing, and effectively using information, skills and experiences across an organization.

military has long used to apply past lessons to new contexts and situations. The concept of AARs can have broad applications, however.

Connecticut. OPM procurement standards do not offer guidance regarding knowledge management practices. The use of knowledge management techniques at the agency level is unknown, and would require review of individual agency business processes to determine.

GEORGE JEPSEN
ATTORNEY GENERAL



55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120

Office of the Attorney General
State of Connecticut

November 18, 2014

The Honorable Donald J. DeFronzo
Commissioner
Department of Administrative Services
165 Capitol Avenue
Hartford, CT 06106

Dear Commissioner DeFronzo:

You have asked my office for an opinion regarding whether Title 4a, Chapter 58 of the Connecticut General Statutes provides the Department of Administrative Services ("DAS") the authority to enter into contracts on behalf of the State of Connecticut (the "State") for all types of services, or whether DAS must use Title 4, Chapter 55a of the Connecticut General Statutes to enter into any of those contracts. Our conclusion is that DAS may use its statutory authority under Title 4a, Chapter 58 to enter into contracts on behalf of the State for all types of services.

I. Statutory Framework.

A. Title 4a, Chapter 58 of the Connecticut General Statutes.

Chapter 58 sets forth various requirements relating to the purchase of goods and services by the State. Within this chapter, two statutes are relevant to this opinion:

Conn. Gen. Stat. § 4a-51 provides, in relevant part, "(a) The Commissioner of Administrative Services shall: (1) Purchase, lease or contract for **all supplies, materials, equipment and contractual services** required by any state agency...". [emphasis added]

Conn. Gen. Stat. § 4a-50(3) defines "Contractual services" as "any and all laundry and cleaning service, pest control service, janitorial service, security service, the rental and repair, or maintenance, of equipment, machinery and other state-owned personal property, advertising and photostating, mimeographing, **and other service arrangements where the services are provided by persons other than state employees[.]**" [emphasis added]

When DAS enters into a contract for the purchase of goods and services on behalf of a state agency under Chapter 58, it must comply with the statutory requirements set forth in that chapter relating to such contracts (particularly related to competitive bidding and negotiation), as well as the regulations established by DAS pursuant to Conn. Gen Stat. § 4a-52.

B. Title 4, Chapter 55a of the Connecticut General Statutes.

Chapter 55a, consisting of sections 4-212 through 4-219, permits state agencies to enter into personal service agreements directly and sets forth certain requirements for state agencies wishing to enter into such agreements. Of particular relevance to this opinion is Conn. Gen. Stat. § 4-212, which is the definitions section for this chapter and which provides, in relevant part:

As used in sections 4-212 to 4-219, inclusive:

...

(2) "Personal service contractor" means any person, firm or corporation not employed by the state, who is hired by a state agency for a fee to provide services to the agency. **The term "personal service contractor" shall not include (A) a person, firm or corporation providing "contractual services," as defined in section 4a-50, to the state...** [emphasis added]

(3) "Personal service agreement" means a written agreement defining the services or end product to be delivered by a personal service contractor to a state agency, excluding any agreement with a personal service contractor that the state accounting manual does not require to be submitted to the Comptroller.

The remainder of this chapter sets forth the procedures with which state agencies must comply to enter into personal service agreements, particularly with regard to competitive negotiation and when OPM approval is required. See Conn. Gen. Stat. § 4-212, et seq. Further, OPM has adopted regulations pursuant to § 4-217 that establish additional standards that state agencies must follow to enter into such personal services agreements.

II. Discussion.

The meaning of a statute is to be ascertained from the text of the statute itself and its relationship to other statutes. See Conn. Gen. Stat. § 1-2z. If, after examining the text and considering such relationship, the meaning of such text is

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plain and unambiguous and does not yield absurd or unworkable results, extratextual evidence of the meaning shall not be considered. See id.

Title 4, Chapter 55a sets forth the procedures a state agency is required to follow as part of entering into a personal service agreement. However, by means of the definition of "personal service contractor," Conn. Gen. Stat. § 4-212 clearly excludes "contractual services" (as defined in Conn. Gen. Stat. § 4a-50) from the provisions of this chapter. Thus, provided a contract is for "contractual services," it falls outside the scope of Title 4, Chapter 55a, and is governed by Chapter 58.

As noted above, under Conn. Gen. Stat. § 4a-50 the definition of "contractual services" includes a specific listing of several services, but concludes with the phrase, "..., and other service arrangements where the services are provided by persons other than state employees." The comma break prior to this final phrase indicates that the phrase was inserted as a broad category or "catchall," and was not included as a modifier of the other categories previously listed. The language of the definition includes a wide variety of services that cover a broad spectrum of activities, manifesting a legislative intent not to limit the types of services that would qualify as "contractual services" under the definition.¹

Prior to the passage of Public Act 77-444, the phrase "and other service arrangements" from Conn. Gen. Stat. § 4a-50 read "and other machine service arrangements." However, Public Act 77-444 eliminated the word "machine" from this language, providing another indication that the legislature intended to give DAS broad power to enter into agreements for contractual services of all types.

We conclude that DAS may enter into contracts for all types of services without being required to comply with the terms and conditions of Title 4, Chapter 55a of the General Statutes. This conclusion is supported by the open-ended nature of the definition of "contractual services," the exclusion of "contractual services" from the definition of "personal service contractor" contained in Conn. Gen. Stat. § 4-212, and the provision of Conn. Gen. Stat. § 4a-51 that provides that DAS shall enter into, among other things, contracts for contractual services required by any State agency. (It still, of course, must comply with the terms and conditions of Title 4a, Chapter 58, and the regulations established pursuant to that chapter).

¹ It is noted that the definition used to include other services such as telecommunications, data entry and keypunching, prior to those services being moved to newly-created Title 4d in 1997 and placed under the jurisdiction of the former Department of Information Technology.

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Although we believe our conclusion is amply supported by plain statutory language, some confusion as to the scope of DAS' contracting authority may arise from the apparent overlap of provisions of §§ 4a-50 and 4a-51 with those of Title 4, Chapter 55a. This overlap is due to the fact that § 4-212 carves out "contractual services" from its definition of personal service contractor, and § 4a-51 provides that DAS **shall** enter into all contracts for contractual services required by any State agency.

While, as set forth above, we believe Conn. Gen. Stat. §§ 4-212 and 4a-50 are clear, given the possible overlap of the two statutes, we conducted a review beyond their plain text. "We also look for interpretive guidance to the legislative history and circumstances surrounding [a statute's] enactment, to the legislative policy it was designed to implement, and to its relationship to existing legislation and common law principles governing the same general subject matter." See Friezo v Friezo, 281 Conn. 166, 181-82 (2007).

We have found nothing in the legislative history indicating an intent to in any way limit the authority of DAS to enter into agreements for services. In fact, as noted above, by the plain language of Conn. Gen. Stat. § 4-212, the legislature clearly and specifically excluded "contractual services" from being subject to the statutory scheme set forth in Title 4, Chapter 55a.

Further, the manner in which DAS has interpreted and administered Title 4a, Chapter 58 is highly relevant to determining the meaning of the statutes that make up the chapter. Although the interpretation of statutes is ultimately a question of law, it is the well-established practice of courts to "accord great deference to the construction given [a] statute by the agency charged with its enforcement." (Citations omitted.) Griffin Hospital v. Commission on Hospitals & Health Care, 200 Conn. 489, 496, appeal dismissed, 479 U.S. 1023 (1986) (Griffin Hospital II), quoting Corey v. Avco-Lycoming Division, 163 Conn. 309, 326 (1972) (Loiselle, J., concurring), cert. denied, 409 U.S. 1116 (1973). An agency's construction of a statute, if reasonable, is high evidence of what the law is. Board of Education v. State Board of Labor Relations, 217 Conn. 110, 120 (1991).

DAS has relied on Title 4a, Chapter 58 for a long period of time as authority to contract and, according to information on the State Contracting Portal website, DAS has recently relied on Title 4a to contract for what appears to be a wide variety of services including: accounting, financial management, genetic testing, record storage, veterinary, medical, lab analysis, court reporting and transcription, debt collection, pharmaceutical consulting, educational testing, real

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estate appraisal, photography, translation and interpretation, document preservation, water testing, insurance brokering, aircraft piloting, comprehensive mail services, chemical sampling and testing, imaging and archiving, storm water monitoring, exam testing, moving, comprehensive graphic imaging, hazardous material abatement, environmental assessments, towing, forest logging, drilling, food catering, landscaping, snow removal, rubbish removal, and recycling.

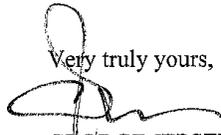
This non-exhaustive list indicates that DAS interprets and applies § 4a-50 – and, in particular, its reference to "other service arrangements" – as granting it authority to contract not only for the services specifically listed in that statute, but for a very wide range of other services. For the reasons explained above, we believe that this is an appropriate and correct interpretation of the agency's statutory authority.

III. Conclusion.

Based upon our review of the relevant statutes, the legislative history, and the manner in which DAS has interpreted its statutory powers, it is the opinion of this office that DAS may use its authority under Title 4a, Chapter 58 of the Connecticut General Statutes to enter into contracts for all types of services. The authority of DAS to enter into such contracts is not limited or restricted by the requirements of Title 4, Chapter 55a, and DAS is not subject to the requirements of that title when entering into contracts for services.

We do acknowledge a potential overlap between Title 4, Chapter 55a and Title 4a, Chapter 58. However, based upon the information we have reviewed, this possible overlap does not act to limit the contractual powers of DAS as described in this opinion. DAS may secure contractual services for state agencies pursuant its own statutory authority under Chapter 58, following those legislative dictates along with its own promulgated regulations. It is possible that the state legislature will wish to clarify this issue at some point in the future but, unless or until that occurs, it is our opinion that DAS may enter into contracts for all types of services pursuant to the powers granted to it by Title 4a, Chapter 58 of the Connecticut General Statutes.

Very truly yours,



GEORGE JEPSEN
ATTORNEY GENERAL

Appendix B

STATE OF CONNECTICUT

2014 PSA REPORT
SUMMARY BY AGENCY



State Agency	Total # of Contracts	Total Contract Amount	2014 General Fund Payment	Federal Fund Payment	Other Funds Payment
APT - CT Airport Authority	2	\$ 1,728,462	\$ -	\$ -	\$ 650,260
BORA - Charter Oak State College	21	\$ 2,018,166	\$ -	\$ 449,687	\$ -
CSL - Connecticut State Library	15	\$ 352,065	\$ -	\$ 95,052	\$ -
DAG - Dept. of Agriculture	15	\$ 297,132	\$ 1,750	\$ 117,463	\$ 38,093
DAS - Dept. of Administrative Services	45	\$ 31,333,349	\$ 7,605,473	\$ 73,161	\$ 32,996
DCF - Dept. of Children and Families	69	\$ 41,595,064	\$ 6,585,919	\$ 2,829,419	\$ -
DCJ - Division of Criminal Justice	8	\$ 108,403	\$ 4,994	\$ 26,363	\$ -
DCP - Dept. of Consumer Protection	1	\$ 14,550		\$ 14,349	
DDS - Dept. of Developmental Services	52	\$ 5,290,836	\$ 799,584	\$ 92,232	\$ -
DEP - Dept. of Energy & Environ Prot.	33	\$ 15,558,339	\$ 67,465	\$ 6,641,422	\$ 1,559,923
DHEM - Office of Higher Education	21	\$ 703,302	\$ 17,550	\$ 288,358	\$ -
DMV - Dept. of Motor Vehicles	4	\$ 21,300	\$ -	\$ -	\$ 16,100
DOC - Dept. of Corrections	33	\$ 3,151,839	\$ 498,943	\$ 166,665	\$ -
DOH - Dept. of Housing	14	\$ 44,505,948	\$ 128,200	\$ 1,837,511	\$ 4,984,791
DOI - Dept. of Insurance	3	\$ 1,902,396	\$ -	\$ -	\$ 360,006

STATE OF CONNECTICUT

2014 PSA REPORT
SUMMARY BY AGENCY

State Agency	Total # of Contracts	Total Contract Amount	2014 General Fund Payment	Federal Fund Payment	Other Funds Payment
DOL - Dept. of Labor	13	\$ 2,118,235	\$ -	\$ 5,350	\$ 953,125
DOT - Dept. of Transportation	14	\$ 17,160,220	\$ -	\$ -	\$ 2,687,796
DPH - Dept. of Public Health	194	\$ 67,396,853	\$ 2,211,033	\$ 12,311,756	\$ 1,220,271
DPS - Dept. of Emergency Services & Public Protection	64	\$ 806,423	\$ 82,502	\$ 349,394	\$ -
DSS - Dept. of Social Services	59	\$ 663,108,858	\$ 65,233,722	\$ 9,780,105	\$ 631,404
DVA - Dept. of Veteran's Affairs	2	\$ 84,560		\$ 27,960	
ECD - Econ. & Community Development	5	\$ 4,340,766	\$ 1,000,000	\$ 54,749	\$ 285,000
HRO - Human Rights & Opportunities	1	\$ 2,500	\$ 2,500		
MCO - Office of the Healthcare Advocate	4	\$ 4,882,544		\$ 2,510,250	
MHA - Dept. of Mental Health & Addition Serv.	83	\$ 55,355,677	\$ 8,299,604	\$ 5,556,209	\$ -
OAG - Office of the Attorney General	61	\$ 30,862,035	\$ -	\$ 4,301,359	\$ -
OEC - Office of Early Childhood	16	\$ 5,270,139	\$ 2,476,706	\$ -	\$ -
OPA - Office of Protection & Advocacy	11	\$ 420,318	\$ 114,853	\$ 118,014	\$ -
OPM - Office of Policy & Management	16	\$ 5,687,533	\$ 227,632	\$ 243,781	\$ 765,842
OSC - Office of State Comptroller	15	\$ 39,082,744	\$ 5,545,877	\$ -	\$ 3,204,000

STATE OF CONNECTICUT

2014 PSA REPORT
SUMMARY BY AGENCY

State Agency	Total # of Contracts	Total Contract Amount	2014 General Fund Payment	Federal Fund Payment	Other Funds Payment
OTT - Office of State Treasurer	104	\$ 1,456,743,299	\$ 113,964	\$ 89,571,172	\$ 248,634
SDA - State Dept. of Aging	2	\$ 80,740	\$ -	\$ 21,060	\$ -
SDE - Dept. of Education	158	\$ 177,725,472	\$ 22,038,328	\$ 4,758,574	\$ 10,000
SDR - Dept. of Rehabilitation Services	21	\$ 2,644,468	\$ 38,034	\$ 486,995	\$ -
SOS - Secretary of the State	5	\$ 612,000	\$ 453,150	\$ -	\$ -
TRB - Teachers' Retirement Board	4	\$ 1,459,000	\$ 11,074	\$ -	\$ 150,333
WCC - Worker's Compensation Comm.	1	\$ 40,500			\$ 13,500
TOTAL	1,189	\$ 2,684,466,036	\$ 123,558,855	\$ 142,728,408	\$ 17,812,074

Appendix C

Table A-1. PSA Spending by Account Category & Agency – FY 2013

Account Description		Amount
Accounting/Auditing Services		\$ 2,206,622
	BAA	\$ 40,250
	OPM	\$ 212,063
	OSC	\$ 336,342
	OTT	\$ 1,617,967
Advertising and Marketing		\$ 901,888
	DCF	\$ 1,889
	ECD	\$ 899,999
Attorney Fees		\$ 4,778,961
	OAG	\$ 2,042,704
	OPM	\$ 75,971
	OTT	\$ 2,660,286
Client Services - General		\$ 9,821,655
	DDS	\$ 46,500
	DOC	\$ 51,194
	MHA	\$ 8,267,679
	SDE	\$ 1,430,084
	SDR	\$ 26,199
Client Subsidies		\$ 3,397,331
	MHA	\$ 3,377,331
	SDR	\$ 20,000
Education & Training For Employees		\$ 681,453
	DAS	\$ 1,755
	DCF	\$ 170,355
	DEP	\$ 357,629
	DOC	\$ 13,500
	DPS	\$ 49,900
	MHA	\$ 15,000
	OSC	\$ 12,599
	SDE	\$ 16,525
	SDR	\$ 44,190

Account Description		Amount
Educational Services		\$ 43,116,768
	BAA	\$ 87,428
	CSL	\$ 33,930
	DCS	\$ 13,906
	DDS	\$ 307,799
	DEP	\$ 880,559
	DMV	\$ 7,200
	DOC	\$ 245,840
	DOL	\$ 3,800
	DPH	\$ 962,473
	DPS	\$ 363,732
	LGO	\$ 36,188
	MHA	\$ 184,000
	OHE	\$ 3,000
	OPA	\$ 4,020
	SDE	\$ 39,982,894
Engineer/Architect Services		\$ 331,029
	DEP	\$ 262,532
	OPM	\$ 26,860
	OTT	\$ 41,638
Fees and Permits		\$ 6,447,608
	BAA	\$ 6,504
	DSS	\$ 3,491,274
	OTT	\$ 2,918,010
	SDE	\$ 6,820
	SDR	\$ 25,000
IT Consultant Services		\$ 7,963,716
	DDS	\$ 1,719
	DSS	\$ 21,000
	OSC	\$ 7,890,097
	SDR	\$ 50,900
IT Software Maintenance & Support		\$ 696,800
	DSS	\$ 616,000
	SDR	\$ 80,800
Loans		\$ 2,500,000
	ECD	\$ 2,500,000

Account Description		Amount
Management Consultant Services		\$ 93,408,524
	BAA	\$ 2,961
	CSL	\$ 37,288
	DAG	\$ 62,610
	DAS	\$ 355,546
	DCC	\$ 93,566
	DCF	\$ 6,638,940
	DCJ	\$ 1,652
	DCS	\$ 8,100
	DDS	\$ 203,571
	DEP	\$ 1,968,802
	DMV	\$ 36,400
	DOC	\$ 79,201
	DOI	\$ 55,075
	DOL	\$ 477,590
	DOT	\$ 1,152,951
	DPH	\$ 1,208,984
	DPS	\$ 295,837
	DPW	\$ 7,899
	DSS	\$ 980,999
	ECD	\$ 312,990
	MCO	\$ 15,000
	MHA	\$ 1,029,077
	OAG	\$ 59,394
	OFA	\$ 4,050
	OHE	\$ 500
	OPA	\$ 14,760
	OPM	\$ 1,467,440
	OSC	\$ 1,871,689
	OTT	\$ 74,611,861
	SDE	\$ 8,303
	SDR	\$ 178,500
	TRB	\$ 154,988
	WCC	\$ 12,000
Medical Program Support Services		\$ 52,113,626
	DSS	\$ 52,113,626

Account Description		Amount
Medical Services - For-Profits		\$ 603,473
	DCF	\$ 2,300
	DDS	\$ 423,685
	DPS	\$ 26,150
	DVA	\$ 14,400
	MHA	\$ 101,934
	SDE	\$ 35,004
Medical Services-Non-Profits		\$ 965,691
	DCF	\$ 130,250
	DDS	\$ 38,857
	MHA	\$ 13,045
	SDE	\$ 783,539
Non-Medical Program Support Services		\$ 3,800,994
	DSS	\$ 3,732,659
	SDE	\$ 49,210
	SDR	\$ 19,125
Online Information Services		\$ 275,160
	DSS	\$ 275,000
	OTT	\$ 160
Pass thru Grant Non-State		\$ 16,345,494
	DCF	\$ 5,740
	DEP	\$ 6,000
	DOL	\$ 129,036
	DPH	\$ 12,147,640
	DSS	\$ 1,917,716
	MHA	\$ 2,137,064
	OHE	\$ 2,298
Premises Cleaning Services		\$ 2,262,087
	DAS	\$ 2,249,015
	DPW	\$ 6,832
	ECD	\$ 6,240
Premises Grounds Maintenance		\$ 545,865
	BAA	\$ 6,861
	DAS	\$ 539,004
Premises Property Management Services		\$ 2,095,144
	DAS	\$ 1,775,859
	DPW	\$ 319,285
Premises Repair/Maintenance Services		\$ 897,189
	BAA	\$ 4,553
	DAS	\$ 892,636

Account Description		Amount
Premises Security Guards		\$ 1,501,243
	DAS	\$ 1,501,243
Regular Postage		\$ 602,610
	DAS	\$ 4,932
	DSS	\$ 597,679
State Aid Grants		\$ 4,053,537
	DPH	\$ 1,948,192
	DSS	\$ 1,379,142
	MHA	\$ 679,396
	SDR	\$ 46,807
State Aid Grants - State Agency		\$ 472,839
	SDE	\$ 472,839
Training Costs Non-Employees		\$ 964,817
	DAS	\$ 27,400
	DCF	\$ 395,028
	DEP	\$ 18,025
	DSS	\$ 520,027
	MHA	\$ 4,337
Grand Total		\$261,252,126
Source: OFA Transparency website contract data for FY 2013		

Appendix D

PERSONAL SERVICE CONTRACTOR EVALUATION

OPM Form/Rev. 02-17-09

Use this form to evaluate the performance of a personal service contractor within 60 days of the contract end date.

INSTRUCTIONS:

In the evaluation form's box for "Evaluator's Signature," type your e-mail address.

In the Subject line of the e-mail, enter "PSA Contractor Evaluation" and the Contract ID number, using the standardized numbering schema to enter a contract in Core-CT. Example: PSA Contractor Evaluation 07OPM9999AB.

Contact your agency's business office for assistance if you do not know the Contract ID number.

Submit this form by e-mail to:

efo.opm@ct.gov

Attach additional sheets if necessary.

Agency Name & Address:		Date:
Evaluator's Name, Title & Phone No.:		Evaluator's Signature:
Contractor Name & Address:		
CORE-CT Contract ID:	PO Reference:	Competitive: <input type="checkbox"/> Yes <input type="checkbox"/> No
Contract Term (Start End Dates):		Contract Cost:

Outline of Work (Purpose, Scope, Activities, Outcomes):

Rate the Contractor's performance using the following scale:

5 = Excellent 4 = Superior 3 = Satisfactory 2 = Fair 1 = Unsatisfactory 0 = Not Applicable

_____ QUALITY OF WORK. Contractor performed tasks, duties, functions, or assignments according to contract specifications.

_____ RELIABILITY. Contractor adhered to the work schedule, achieved milestones (if any), and met deadlines.

_____ KEY PERSONNEL. Contractor assigned adequate and properly qualified, equipped, and trained staff to perform the work.

_____ SUPERVISION. Contractor adequately supervised key personnel and other staff assigned to do the work.

_____ FINANCIALS. Contractor adhered to cost and other financial provisos, including prompt payment of subcontractors or suppliers.

_____ COMPLIANCE. Contractor abided by governmental policies, procedures, laws, and regulations, including AA and EEO.

_____ INDEPENDENCE. Contractor was able to complete work independently, with little agency oversight or direction.

_____ COOPERATION. Contractor was able to work with others, including agency staff, other contractors, and the general public.

_____ TOTAL RATING _____ AVERAGE RATING (Total ÷ 8)

Explain any areas where the Contractor's performance was less than Satisfactory:

Other Comments: