

# CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

---

## MINUTES OF THE FEBRUARY 9, 2004 MEETING

President, David White, called the Controlling Board meeting to order at 1:40 p.m. Serving on the Controlling Board were Senator Bill Harris, Representative Larry Flowers, Senator John Carey, Representative Jim Hoops, Senator Ray Miller and Representative Sylvester Patton.

The minutes of the January 26, 2004, meeting were distributed. A motion to approve the minutes was made by Senator Harris, seconded by Representative Hoops and approved by the Board members.

Attached is the February 9, 2004, meeting agenda. President White said Item 6, DAS431-0405 has been deferred. A motion for blanket approval of all items not held for questions was made by Representative Hoops, seconded by Senator Harris and approved by all Board members.

The following Items were discussed and acted upon as stated.

Item 1, AGO018-04 was held by Representative Flowers and Senator Miller. Representative Flowers asked whether the University of Cincinnati contract is retroactive. Kari Hertel, Attorney General's Office said yes as of today it is retroactive. On this contract the cost was underestimated. The client didn't expect the hearing to be as long, tedious or even held during this fiscal year at the Ohio Environmental Review Appeals Commission. Senator Miller questioned the language, minimal continuing legal representation, and why only one attorney, Mr. Victor Goodman was paid. Ms. Hertel said in terms of the minimal continuing legal representation the final decision that the U.S. Supreme Court issued was November 17, 2003, so from that point until now is where we are talking about the minimal representation and in that sense it is simply watching to see if anyone on the other side or any outside party would file something with the Supreme Court to have this reconsidered or looked at again. Senator Miller expressed his concern that it is a waste of money to continue to pay for minimal continuing representation when the case has been decided. Representative Patton asked how much of the \$30,000.00 has been spent. Ms. Hertel said that approximately \$13,000.00 has been billed. The item was approved with Senator Miller objecting.

Item 2, BGU069-04 was held by Senator Carey. Senator Carey asked why the university did not do an RFP for this project and inquired whether the university will use the RFP process in the future for this type of work. Lise Konecny, Bowling Green State University said yes they do use the RFP process but this project is very engineering specific and the university has used Allison Engineering on campus for similar projects and have had excellent results with them. The item was approved without objection.

Item 7, DAS432-0405 was held by Senator Miller. Senator Miller asked what specifically would the \$1.8 million be used for. Nancy Isom, Department of Administrative Services said the department is not asking for additional money but money to a different source versus the primary contractor. This is an operating expense versus a capital expense. Daryl Anderson, Department of Administrative Services said these dollars are for operating costs. There are no unforeseen operating monies here, simply the department had not had the need to get the spending authority prior to now. Senator Miller asked where the department is now in terms of expenditures for the MARCS program. Mr. Anderson said in terms of

# CONTROLLING BOARD

## OHIO OFFICE OF BUDGET AND MANAGEMENT

---

capital money \$271.9 million is projected and of the \$222 million that DAS is responsible for which is the towers and the central pieces, they have actually spent \$120 million with another \$50 million being spent at this time. The total operating cost that we see at this time to keep the system up and running 24/7 is \$9 million per year. Representative Patton asked when the MARCS system would be up and running. Mr. Anderson said the system would be totally up and running barring any unforeseen new risk by this time next year. Representative Patton asked if there is a current warranty with the system. Mr. Anderson said yes there is a full warranty for one year. Representative Patton asked whether the \$9 million is for the entire operating cost of the MARCS system. Mr. Anderson said that is correct. Representative Patton asked whether there is any concern that most of this project is being out dated. Mr. Anderson said at this time this system still remains state of the art. The item was approved without objection.

Item 11, DEV620-0405 was held by Senator Harris and Representative Patton. Senator Harris asked how the competitive shopping process works and how it differs from the RFP process. Tom Johnston, Department of Development said the process in this particular case was done through a telephone solicitation. An RFP basically involves the department creating criteria that would result to outcomes. The RFP is published through the Department of Administrative Services and generally they also publish it through the ODOD website. There is a window of opportunity for people to respond to the RFP and provide their best quote to accommodate the services that the department is looking for. Senator Harris asked how much is going to be spent on allowable travel expense and what is the description of allowable travel expenses. Mr. Johnston said the definition of allowable travel expenses are those expenses that are captured in an OBM rule of in-state and out-of-state travel, 126 of the Administrative Code section. Judy Jones, Office of Energy Efficiency, Department of Development said the travel under this contract is very minimal within the state of Ohio. She does not know the dollar amount but will have the department provide him with the dollar amount of travel reimbursement. Representative Patton asked why the department is not using the RFP process for additional services. Ms. Jones said the primary reason for extending the services under this contract as opposed to going out for bid is that the skills involved and the additional services required are essentially the same as were under the original contract. It requires knowledge of evaluating energy programs specifically and federally assisted programs as well as other governmental programs and this person has demonstrated over a period of years of work under this contract and other contracts with the Office of Energy Efficiency the definite skills that are needed for the contract. She was the low bidder for the informal competition for the project. The item was approved without objection.

Item 14, DEV684-04 was held by Representative Patton. Representative Patton asked how many contracts has the department had with this project. Tom Johnston, Department of Development said the department has had four different contracts with Bizlogx. Representative Patton asked how the company was originally selected and what's the make up of the company. Mr. Johnston said the original selection was done in FY02 and he believes the department used the RFP process and is made up of two individuals. Senator Miller asked who the owner of the company is. Mr. Johnston said he would have to research the size of company and report back to Senator Miller. The item was approved without objection.

Item 20, DOH117-04 was held by Representative Hoops. Representative Hoops asked whether there were any other interested parties involved with this allocation method. Sean Keller, Department of

# CONTROLLING BOARD

## OHIO OFFICE OF BUDGET AND MANAGEMENT

---

Health said in addition to the 22 funded agencies, various contacts were made through legislative members, their aids as well as the Office of Budget and Management. The main parties were the 22 funded sub grantees. Representative Hoops asked if they were all in agreement with the allocation method. Mr. Keller said yes. The item was approved without objection.

Item 21, JFS055-04 was held by Senator Carey and Senator Miller. Senator Carey asked why the request is retroactive. Christopher Carlson, Department of Job and Family Services said the software packages that the department purchased through the DAS State Term Schedule several years ago require and annual maintenance renewal as part of the on-going licensing. Environmental Systems Research Institute's (ESRI) State Term Schedule expired at the end of FY03 and a new agreement with DAS has not been reached. The current payment to ESRI requires Controlling Board approval, as the department will exceed their direct purchase authority. This vendor has done no actual work, the department is essentially out of compliance with their licensing agreements to run the software. Senator Carey asked whether the department has their own management information systems department that can address situations like this to get the job accomplished. Mr. Carlson said the particular tasks and work performed by this vendor in the Geographic Information Systems are not anything that the department would even seek to do internally. ESRI is the nationwide leader in this technology used extensively by the Department of Defense in most states for these types of services. They are specialized services that require data that the department simply doesn't have nor would they try to get. Senator Miller asked how much money is the department spending in management information systems. Mr. Carlson said he does not know what that budget is but can have the department provide a breakdown of that budget. Senator Miller asked when was it realized that the department had exceeded its direct purchase authority on this contract. Mr. Carlson said the department did not realize that they had exceeded the direct purchase authority until October. The item was approved without objection.

Item 24, DMH411-0405 was held by Senator Harris. Senator Harris asked whether the department is confident that Cardinal Health Pharmacy can meet the rate that they bid. Woody Weimer, Department of Mental Health said the department believes they will be able to meet this. They seem to be sophisticated enough to be able to provide the pharmacy services at a very low rate. Senator Harris asked if the other three bidders were Ohio Companies. Mr. Weimer said yes. The item was approved without objection.

Item 28, DNR442-0405 was held by Representative Hoops. Representative Hoops asked why new publications were introduced. Chris George, Department of Natural Resources said a lot of people are now coming on board with their GIS systems and they are using the department's digital publications in their applications and basically over the last year the request for documents through the division of Geological Survey has almost doubled. Representative Hoops asked whether the printing cost for the publications would pay for itself. Mr. George said yes, but the department need the increase spending authority up front to have those materials available when the public request them and they expect the balance in Fund 508 to remain relative stable in the long term. Representative Hoops asked what the \$291,000.00 in Fund 508 would be used for. Mr. George said it is specific for the Division of Geological Survey. He will have to report back on the specifics on the use of that fund. Senator Harris asked if it is possible for agencies to print this data off the Internet with the GIS. Mr. George said some of the data is available off the Internet but a lot of people are requesting it on compact disk form. Senator Harris asked if the department is providing the disk free of charge. Mr. George said the fee for the disk publications range roughly \$25 for a compact disk. The item was approved without objection.

# CONTROLLING BOARD

## OHIO OFFICE OF BUDGET AND MANAGEMENT

---

Item 32, DHS678-04 was held by Representative Hoops. Representative Hoops asked how the numerous competitive errors happened and what procedures are being put into place so that it doesn't happen again. Kathy Ludeowese, Department of Public Safety said when OBM gave the department the opportunity to hold open encumbrances from FY03 that had not yet been disbursed by November, a fiscal officer from EMA, Bureau of Motor Vehicles, Patrol and from the Administrative unit marked which needed to be held open and which had to be closed. The person who combined on one master document made pages of errors. That is a human type thing that can happen. Where our system failed was that we didn't have a check in place to have somebody else look and see that the work was done correctly. In the future the department is going to have initial sign-offs that somebody else verifies the work. The item was approved without objection.

Item 39, DOT256-04 was held by Senator Harris. Senator Harris questioned how effective the fund is being utilized to help the county airports become more efficient and more usable. Todd Neilson, Department of Transportation said thus far they have received awards between \$269,000.00 in the line item from the registration fees, they have also received a number of complaints from aircraft owners regarding the increase in fees. The department has already issued 11 grants for county airport improvements this year. In FY03 the department issued between 12 and 15 grants. Senator Harris said that even though this fund has been created and \$100.00 per aircraft is being collected, it appears that they are not providing any more assistance for the county airports than they were previously. Mr. Neilson said when you look at the overall funding picture for the Office of Aviation there is a general revenue fund amount which was decreased from about \$2 million in FY03 to about \$1.3 million that is also used for airport improvements which grants are issued from. The actual overall amount of assistance that can be given to county airport improvements is not as much as it was in FY03. The item was approved without objection.

With no further business before the board, the meeting was adjourned at 3:12 p.m.

Respectfully submitted,

Francene Johnson  
Controlling Board Executive Secretary

*02/09/04 Minutes approved by the Board:*

---

---