

# CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

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## MINUTES OF THE MARCH 22, 2004 MEETING

President, Lisa Dodge, called the Controlling Board meeting to order at 1:45 p.m. Serving on the Controlling Board were Senator Bill Harris, Representative Charles Calvert, Senator John Carey, Representative Jim Hoops, Senator Robert Hagan and Representative Sylvester Patton.

The minutes of the March 8, 2004, meeting were distributed. A motion to approve the minutes was made by Representative Calvert, seconded by Senator Harris and approved by the Board members.

Attached is the March 22, 2004, meeting agenda. President Dodge said Item 33, DAS451-05 has been deferred. Item 2, AGO024-04 amount revised to \$685,000.00 and Item 32, DAS450-05 Express Scripts Inc. contract has been changed to a year contract without renewal.

A motion for blanket approval of all items not held for questions was made by Representative Calvert, seconded by Senator Harris and approved by all Board members.

The following Items were discussed and acted upon as stated.

Item 1, AGO023-04 was held by Senator Hagan and Representative Patton. Senator Hagan said could you tell me why you did not bid this out. Christine Hansen, Attorney General's Office said

Item 2, AGO024-04 was held by Senator Hagan

Item 3, AGO025-04 was held by Representative Calvert. Representative Calvert said there are several parts to this requests. Part of it is to refund some overpayments and I have no problems with that but there is a portion under Object Class 20 that talks about entering into a contract with the Lottery Commission to do the inspections of the fraternal organizations that are involved with bingo, am I reading that correctly. Christine Hansen, Attorney General's Office said you are correct. Representative Calvert asked is there any other organization that could perform this inspection function rather than Lottery. Ms. Hansen said our office looked a number of options.

Senator Hagan asked the Board to reconsider item 2, AGO024-04 for purposes of noting an objection. A motion to reconsider the item was made by Senator Harris and seconded by Representative Calvert to approve the item with Senator Hagan objecting.

Item 32, DAS450-05 was held by Senator Harris. Senator Harris asked if you would please to briefly walk us through this selection process that was taken to establish for the pharmacy benefits manager contract. Scott Johnson, Director, Department of Administrative Services said it was an unusual contract. First of all because the state did not have a contractual agreement with Medco. Medco is currently the prescription benefit provider and this prescription benefit provider subcontract to the third party administrator who provides the rest of our healthcare services through PPO. It became evident to us that it's a possibility of saving a substantial cost on prescription package

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Item 4, UAK192-04 was held by Senator Carey. Senator Carey said in looking at the requests it appears that the cost was about 25% more than was originally estimated, do you have an explanation as to why it was so much higher. Jim Nargang, Board of Regents said what happened with the original budget for this project, they were ---, the bids for construction came in lower than they had estimated. The original allotted for equipment was actually low there was not enough to do everything we wanted to do. Since the construction bids came in lower they were able to increase the allocated work so that they could purchase the items that they needed. Senator Carey asked why the Inter-University Council price is 15-20% more than competitively bid prices. Mr. Nargang said he did not know but would get that information to Board members.

Item 5, BGU073-04 was held by Senator Carey. Senator Carey said in the requests there seem to be no information attached for the other bidders, can you walk us through the selection process. Bob Waddle, Bowling Green State University said the standard process is we put together the scope for the project itself and then we move forward with the purchasing and advertising and then what we received back were qualifications from seven different firms. At that point the members of the community which were involved with the project, the project manager from purchasing department, as well as representatives from fiscal planning they sat down and focused and finally arrived at three firms to interview and following that interview and those discussions they selected this firm and sat down and negotiated this particular contract. The item was approved without objection.

Item 19, OSU936-04 was held by Representative Patton. Representative Patton inquired about the selection of Flad and Associates for the project. Judy Nodjak, Ohio State University said the six firms were selected on their type of performance in this type of work. We selected the six firms based on their past performance in this type of work. The bio safety lab is unusual. It is a very restricted type of expertise and is not done by every associate in the country. As a matter of fact there are very few firms in the country that has done this type of work in the past. As I understand it firms that have tried this and have not had the experience with it have been unsuccessful. Representative Patton expressed his concern about Flad and Associates being the only firm that could do this work. Ms. Nodjak said I can tell you that we short listed the six firms who had the best track record and of those six, the one firm who had successfully opened both a Biological Level-3 plant facility Agricultural facility and have representatives on their team who have successfully opened a biological level three plant facility with Flad and Associates. Of all 29 there was one firm in this country I believe based on the criteria they submitted it showed that this was multiple years of projects at varying levels. The item was approved without objection.

Item 24, OHU223-04 was held by Representative Patton. Representative Patton said this started off to renovate the basic structure of the facility and elevator, give me the original intent. Richard Shultz, Ohio University said the original intent for the Brasee Hall Interior Renovation approved in the Capital Improvements Plan was to reconfigure and renovate the existing lower level to create a student center area that would include food service, student lounge and bookstore. As a result of the new Master Plan and Space Utilization Study completed in 2002, a decision was made to concentrate the student lounge and bookstore components in a central location near the entries to both Herrold and Brasee Halls. The concentration of all these activities around a central core places all of the student activity areas, except for the food service, into one area. The funds from the Elevator Completion project approved in the Capital Improvements Plan were to complete an elevator renovation that was part of the Phase II Brasee

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Hall renovation project. Because of low bids received from the contractors, the elevator renovation was completed with the base bid funds from that project. The remaining funds will be used to upgrade an existing elevator in Brasee Hall. Representative Patton asked whether Miller/Watson Architects is the architect hired for the original project. Mr. Shultz said this architect was hired

Item 28, BOR130-0405 was held by Representative Hoops. Representative Hoops asked would serve as fiscal agent. Mr. \_\_\_\_\_, Board of Regents said Ohio State University will serve as the fiscal agent. Representative Hoops asked will there be any type of increase in employees. Mr. \_\_\_\_\_ said yes. Initially we have job searches now for eight employees to go on site which will be computer high tech jobs for the area. Representative Hoops asked will there be a need for any type of state dollars either through the Operating Budget or Capital Budget because of this issue. Chris Frost, Board of Regents said there has been dollars for the Ohio Supercomputer Center we will have a need for ongoing capital and operating support at the Ohio Supercomputer Center. This money is for the expansion to Springfield. The money from the federal government is for a specific purpose to build an additional Supercomputer Center at Springfield to tie in with the rest of the state. We anticipate to continue the state support but we will also be continually seeking additional federal support. Representative Hoops said this two-year studies, what kind of spin-off will that create, what do you see in the future coming from this. Dick Pritchard, **Board of Regents** said the purpose of this center is to be part of a project called \_\_\_\_\_ The item was approved without objection.

Item 29, DAS447-0405 and Item 30, DAS448-0405 were held as a group by Representative Calvert and Representative Hoops. Representative Calvert asked these two items together if I am reading them right will purchase, install and evaluate Fuel Cell Generators in four locations, will this money pay for all the cost of doing that or is this the first of future requests for additional funding for this. Nancy Isom, Department of Administrative Services said I do have the MARCS program assurance that this is in fact the total sum that we would be paying to the company in Washington D C to do this particular work at these four sites and additional funding for the MARCS program would not be required to facilitate this project. Representative Hoops asked if there was any effort to look at an Ohio based company to do this type of project. Ms. Isom said it is my understanding from the Department of Development that there are a very limited number of vendors or companies who are able to provide them and install them and in fact there were none located in Ohio. The items were approved without objection.

Item 41, EDU335-0405 was held by Senator Harris and Senator Hagan. Senator Harris asked what information does the department hope to get from the reinstatement of this study after its previous revelation. Matthew Cohen, Department of Education said I think that by continuing this study and looking at the next cohort we are only going to be able to find the things that we have before, gain a little bit of information about what we noticed earlier. One of the reasons that we had originally planned to stop the evaluations was that continued research was not generating substantially different results. Senator Harris said based on your response then we feel it is reasonable to extend this \$698,767.00 to follow-up on this study. Mr. Cohen said or initial recommendation was not to continue the study. We were asked by Representative Husted to continue the study. Senator Harris asked in relationship with the dialogue with this request that the department was asked to study was there any discussion concerning having this study conducted by the Legislation Education Oversight Group as opposed to the committee, say DPI, was there any discussion about doing that or was it just accepted then to just go ahead and spend this money. Mr. Cohen said the request came in January. Normally we make plans for a

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years worth of study starting the summer before. That gives the time to make sure that the study is done in a effective and efficient way. By starting in January we are put in a position where we really had to sort of recover time and just move forward as quickly as possible in order to have any chance of getting a study into the field by this year so we really didn't consider any other possibility that was feasible for this study.

With no further business before the board, the meeting was adjourned at 3:55 p.m.

Respectfully submitted,

Francene Johnson  
Controlling Board Executive Secretary

*03/22/04 Minutes approved by the Board:*

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