

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

MINUTES OF THE APRIL 5, 2004 MEETING

President, Lisa Dodge, called the Controlling Board meeting to order at 1:40 p.m. Serving on the Controlling Board were Senator Bill Harris, Representative Charles Calvert, Senator John Carey, Representative Jim Hoops, Senator Tom Roberts and Representative Sylvester Patton.

The minutes of the March 22, 2004, meeting were distributed. A motion to approve the minutes was made by Senator Harris, seconded by Representative Calvert and approved by the Board members.

Attached is the April 5, 2004, meeting agenda. President Dodge amended Item 8, OSU929-04 so the amounts for each line item were changed to \$135,712.86 and \$180,950.48 for a total release amount of \$316,663.34. 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 2, UCN355-04 was held by Senator Carey. Senator Carey asked whether other quotes were received and if the university is confident the vendor can provide the system at the price quoted. Chuck Darling, University of Cincinnati said the change in the amount from the estimate to the actual bid resulted from a very early estimate that was done without a lot of engineering research and field research. Once the research was done during the design portion, the university found that there were a number of detectors that could be eliminated with the new system. The vendor is confident that they can provide the required system for the price quoted. This is a state term contract therefore the university did not take any other bids. The item was approved without objection.

Item 5, MUN062-04 was held by Senator Roberts and Representative Patton. Senator Roberts asked how many lights are in the base bid. Robert Keller, Miami University said he did not know the specific amount but there are 120 feet on center and the alternate bid would reduce that to 60 feet on. Representative Patton inquired about the number of lights with about 74,000 at 120 feet apart and the alternate bid being 94,000. Mr. Darling said the heights of the lights that are specified are high enough to give the spread so that between 120-foot light poles you still get an overlapping. The item was approved without objection.

Item 6, OSU919-04 was held by Representative Patton. Representative Patton asked why there is such a high design fee for this project. Judy Nodjak, Ohio State University said the design fee was high because of the nature of the tile roof. There was some structural work being done in addition to the roof replacement, also it is an unusual type of tile on this roof so it requires a certain type of expertise for installation. Representative Patton asked if this is a replacement or new roof. Ms. Nodjak said this is a replacement of an existing tile roof. Senator Roberts asked what the building is used for. Ms. Nodjak said she was not sure but it is certainly an academic classroom building. Senator Roberts asked why the university is replacing the roof with an expensive tile. Ms. Nodjak said the tile roofs that the university use are common throughout the university campus and are used predominantly in the central part of the

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

campus and last significantly longer than a standard shingled or coal tarred roof. The item was approved without objection.

Item 10, OSU954-04 was held by Senator Carey and Representative Patton. Senator Carey inquired about the increase in the cost and design fees for this project. Judy Nodjak, Ohio State University said the auditorium and a significant part of the first floor of the building had been renovated when the review was done of the program requirements. It was decided that it needed to be expanded to enhance the elevator capacity to the new auditorium so the scope of work was expanded to include ADA accessibility for a brand new elevator bank in the building. Representative Patton asked whether the building was previously ADA accessible. Ms. Nodjak said the building was ADA accessible but requires a new stop for the elevator and new type of elevator stop bank where the auditorium is located. Representative Patton asked whether the university decided to renovate the whole building and forgot about the elevator. Ms. Nodjak said when the design was done for the part of the building that was being renovated it was then decided that the elevator bank needed to be changed to accommodate the renovations in order to continue to maintain the ADA compliance for the entire building. Representative Patton asked if when OSU decided to renovate the design was the part with the elevator inclusive of that first design minus the elevator. Ms. Nodjak said when it was first designed the ADA accessibility was part of the initial project. At the time when the design first went through it was deemed that the elevator bank was sufficient to make the building ADA compliant. When it was reviewed by experts following that it was decided that an additional elevator needed to be installed to ensure that the new auditorium was accessible to all individuals. Representative Patton expressed his concern about the number of projects with cost overruns due to minor mistakes and the university having to come back to the Board for additional money for projects. The item was approved without objection.

Item 12, STC039-04 was held by Senator Carey. Senator Carey asked whether the North Side Development Parking Lot II project is completed. John Jivens, Stark State College of Technology said the North Side Development project for the Parking Lot Phase II is completed. The college had built a parking lot to accommodate the new W.R. Timken Information Technology Building and the project came in under budget. Therefore, they felt the best use of the funds would be to transfer them to the new project in order to have sufficient funds to complete the new parking lot. The item was approved without objection.

Item 23, AGE022-0405 was held by Senator Harris, Representative Calvert and Representative Patton. Senator Harris asked for more details on the “No Wrong Door Ohio” web system. Sharon Evanich, Department of Aging said the “No Wrong Door Ohio” web system will be a web site that will be comprised of providers where people who have disabilities, caregivers or providers will be able to access information to find out information about services available for people with disabilities regardless of their age. It coincides with CMS’s effort to develop single points of interest for uniform information to help people with services that are available. Senator Harris asked if long-term care facilities would be evaluated with the new program and if so will the department incorporate the long term care facility survey and guides to eliminate potential duplication of effort. Ms. Evanich said there would be a link provided to the long-term care system but is not a duplication of effort. Senator Harris asked why the department did not select the lower in-state bidder. Ms. Evanich said the selection process was comprised of five members, three were from ODA, one was from ODJFS and another member was representing the Ohio Olmstead Task Force and an objective scoring process was used. In reviewing

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

one of the lower bids they did not have confidence in the proposal because it was incomplete and they lacked experience and expertise to successfully meet the size and scope of the project whereas North Light exceeded their expectations in almost every category. North Light is going to complete the project three months ahead of time, they have the experience and understand the size and scope of this project. Senator Harris asked why a high percentage of the work is going to be subcontracted. Ms. Evanich said this project is highly complex. It is more than just developing a web site. You have to engage stakeholders and the stakeholders along with a focus group will be used to obtain information to design the web site so that people with disabilities will be able to access it. The provider information will provide organization and association information on the web site.

Representative Patton inquired about the selection of North Light over AssistGuide. Ms. Evanich said North Light exceeded expectations in all areas including the offer of personnel requirements, work plan requirements, work schedule, budget narrative and the budget. North Light gave more than was required in the project so they were above everyone else in the scoring process. Senator Roberts asked what percentage of the Ohio vendors was sub contracted. Ms. Evanich said each one had either one or two other contractors and normally 50% with the company that submitted the proposal and then who ever they subcontracted with the other 50 percent. Senator Roberts expresses his concern for not giving Ohio businesses a chance since one of the Ohio bids was actually lower than the one awarded. The item was approved without objection.

Item 24, AGR080-04 was held by Representative Hoops. Representative Hoops asked if grinding up the trees would take care of the emerald ash borer. Matt Beal, Department of Agriculture said the department has a contract to grind all the trees that are cut down and have them delivered to Flint, Michigan to an incinerator by May 1 of this year. Representative Hoops asked what happens if other infected areas are found. Mr. Beal said at this particular time the department has crews that are out surveying continuously looking for additional infestation. The program that the department is running right now is an Eradication Program. Under the Eradication Program if they are successful they will be able to avoid a federal quarantine. The eradication process is from a site of an infestation even if it is a single larva in one tree they will go out one half a mile in a radius, will contact everybody, inventory those trees, remove them and wind up incinerating them in Michigan. The item was approved without objection.

Item 31, OEB005-0405 was held by Senator Harris. Senator Harris asked how OEB plans to publicize the new reading service available to Ohio's blind population. Johann Klein, Ohio Educational Telecommunications Network Commission said the vendor that was awarded the contract has a staff of 2 people in Ohio, in addition to a Board in Ohio. They are primarily involved in outreach to the visually impaired community and will issue publications, use various services such as web services and other areas to reach the blind community in Ohio. Senator Harris asked what the impact would be on current reading services offered in the state. Mr. Klein said that because more money was provided for National Federation of the Blind (NFB) news line that more people in Ohio would be able to access this service through using their telephone. Senator Harris asked why the out of state vendor was selected. Mr. Klein said the out of state vendor was selected because the independent evaluators that the Commission used scored in favor of NFB news line by a total score of 206 points to 119 points. The four areas that were cited by all three independent evaluators were that the proposal submitted by the Ohio Radio Reading Service did not describe a network that could serve the entire state's visually impaired population.

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

Representative Patton expressed his concern that when an Ohio company bid the exact same price as an out of state company, agencies should start looking at selecting the Ohio companies given the fiscal situation of this state and should whenever possible look at selecting Ohio companies. The item was approved without objection.

Item 33, EPA415-0405 was held by Senator Carey. Senator Carey asked for status of the Kirby Tire cleanup project. Robert Large, Environmental Protection Agency said the tire removal project at the Kirby site is going very well. The department has gotten to the bottom of the two biggest piles there so that they now know that to complete the clean up there are approximately six million tires remaining. This contract will take care of the bulk of those tires. To date the department has spent about \$11 million on tire removal that has removed 11,760,000 tires from the site. They also have fire related expenses and security and fire fighting related cost that have totaled close to \$11 million. The next phase will involve removing the buried tire residuals and get those properly disposed of. Senator Carey asked if they are able to recycle the tires and if there is any chance that they will be able to recoup any of the money. Mr. Large said they are recycling approximately 85 percent of the tires coming off that site. The prospect of cost recovery is in the court. They are pursuing the company and individual owners for civil penalties as well as following the bankruptcy proceedings in federal court and will try to recover whatever they can of the cost for this clean up. Representative Patton asked whether the department is getting any revenue from recycling. Mr. Large said they bid the contracts on a price per ton for materials removed from the site and they do a competitive bid so that any revenue that the company may be getting off of these things is factored into that bid and they allow the competitive bidding process to keep their price down as low as they can. The item was approved without objection.

Item 38, DOH124-0405 was held by Representative Calvert. Representative Calvert asked whether the department has a contract for doing this service now. Sean Keller, Department of Health said yes they do. Representative Calvert asked for a sense of whether this contract is more, less, or about the same as the current contract. Mr. Keller said the current contract is in the neighborhood of the lower bidder, in the \$50,000.00 neighborhood but the reason for the significant increase is the type of buys that they are looking to be conducted in this round of contracts. Representative Calvert asked whether the selected vendor, Miles Investigations, Inc., has any history of doing this in any other states. Mr. Keller said Miles Investigations currently holds three contracts in the western side of the country. Representative Calvert asked whether Safeguard Security Services has that same expertise. Mr. Keller said he wasn't involved in the evaluation but did see the proposals side by side in comparison with Miles Investigations and the difference was significant. Representative Calvert asked why the department received only two proposals when they sent out certified mail to nineteen vendors. Mr. Keller said the department sent them to a wide range of what they call security and investigative type firms and for whatever reason they have had a low response rate which he thinks is due to the uniqueness of the types of services that they are asking for. Representative Calvert asked why the current vendor did not bid on this renewal. Mr. Keller said Safeguard is the current vendor but was secured through a DAS administered bid and the department has not been very pleased with the services provided.

Senator Roberts asked for clarification on the uniqueness of the services. Mr. Keller said they have 50 state WIC programs and by saying uniqueness, it is not a type of activity that a lot of vendors are involved in. What they are actually doing is having people pose as WIC participants which is a unique population in and of itself. It's a pregnant woman, it's an infant or child or it could be a grandmother so

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

that is one of the unique categories. Additionally there is potential danger involved with these buys based on store locations. Senator Roberts asked whether Miles Investigations have any minorities on staff. Mr. Keller said they have minorities.

Representative Patton expressed his concern about the point system where agencies are selecting higher bid vendors because they feel they would provide better service rather than the lower bidder and said he would like for the point system and those involved to be included in all proposals.

Representative Hoops questioned why Miles Investigations was selected over the lower vendor and asked for clarification. Mr. Keller said when he was shown the RFP proposal that was provided by the lower vendor it was apparent that there was some concern that they could not meet the terms of the RFP.

Senator Harris inquired about the RFP process for this project. Mr. Keller said as in any RFP within the Health Department the first discussion is if this is something they should do themselves or bid through DAS. The decision was made to pursue through DAS the right to bid the project on their own. We had set out the RFP and left the standard 25-30 day window for evaluation and then looked at the review criteria which included the total cost, the past experience of the vendor, the total technical quality of the proposal and technical resources. As a result of the reviews the scores are put on a matrix. Senator Harris asked if as a result of this evaluation and recognizing that there was a substantial dollar difference between the two proposals was Miles Investigations Inc. chosen as the higher bidder because of how they responded to these specific details within the RFP. Mr. Keller said that is correct. The item was approved with Senator Roberts, Representative Hoops and Representative Patton objecting.

Item 39, DOH125-0405 was held by Representative Calvert. Representative Calvert asked whether the department has looked at the cost based on what other states are doing. Sean Keller, Department of Health said regarding other state operations they are all being handled slightly differently. Some have stronger associations than others, some are handling it internally, and some are handling it through third party contractors. Representative Calvert said in reading the RFP he didn't see anything about purchasing equipment other than to ensure that the hospitals are budgeted for MARCS equipment. He questioned what equipment we are buying. Mr. Keller said OHA works with the seven regional coordinators to determine each region's needs based on population and hospital size. Representative Calvert asked if the department is going to release the money and hospitals will be allowed to buy equipment at any price without any oversight from the Controlling Board. Mr. Keller said the purpose of this request is for release of the funds to OHA. It will then be in conjunction with the Department of Health oversight, OHA oversight and the Regional Board Coordinators oversight. The item was approved with Representative Calvert objecting.

Items 40, DOH126-04 and Item 41, DOH 127-04 were held as a group by Representative Calvert. Representative Calvert asked if the department is just administering these grant programs or if there is actually money going out through grants to the rural hospitals. Sean Keller, Department of Health said the purpose of each federal grant is slightly different. By providing the money to the foundation they will then turn around and provide the money to the actual hospitals under the Small Rural Hospital Improvement Grant. Representative Calvert asked once the hospital receives this money, could they spend it at will. Mr. Keller said no, there are specific allowable activities so there is an oversight and monitoring system in place. Representative Calvert asked if there would be an additional request for

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

funding to cover FY05. Mr. Keller said at this point this is the second year that the department has received this money and it is received on an annual basis so they will not know until grant application time whether they will be funded for another round. Senator Roberts asked whether "Rural Hospitals" is a federal definition. Mr. Keller said it is a federal definition based on the allocation of funds. Senator Roberts said he would be interested in getting information on the Small Rural Hospital Improvement Grant Program. Mr. Keller said we would be sure to disseminate that information. The items were approved without objection.

Item 58, PUC042-04 was held by Representative Hoops. Representative Hoops asked why PUCO didn't include the changes in the RFP and start the process over again. Jim Logston, Public Utilities Commission of Ohio said they spent almost a year doing the original RFP and evaluating three proposals and because they had the Federal Motor Carrier Safety Administration asking when they would be done, they felt that they couldn't go back to square one. Representative Hoops asked if there would have been a cost to go back and start the RFP process over again. Mr. Logston said yes, it would have taken at least three months to do another RFP and the cost would have been the salaries of the people involved. Representative Hoops asked whether there is any maintenance agreement for the system. Mr. Logston said the cost in future years is \$103,000.00 to maintain and operate the system on an annual basis. The item was approved without objection.

Item 60, DRC510-04 was held by Senator Harris. Senator Harris said according to the request an emergency was declared on this project in December 2003. Considering that the solution was considered an emergency why was the contract rebid? David Calhoun, Department of Rehabilitation and Correction said this project originally resulted from problems at the institution that were identified in October. At that point the department determined that it was beyond a maintenance project that would require capital funding. The department requested the public exigency to be able to expedite the project. In addition the institution would be in serious straits if the food service area would need to be shut down. At that point they solicited and hired an engineering firm to evaluate the situation and propose a solution. They solicited pricing from three contractors and on December 17, 2003, they received only one and that price was significantly more than the engineer's estimate. The department did not feel comfortable at that time that they had an appropriate price for the project so they asked the engineer to solicit additional pricing. The new bids were lower and they selected a vendor on January 16, 2004. They proceeded to execute a contract and the contractor began work on February 17, 2004. When work began on excavating the sanitary lines they discovered additional sanitary lines that needed to be replaced which substantially changed the cost of the project. There was an additional \$179,000.00 worth of work that needed to be done at that point to complete the project. By March 2, 2003, they had the final price for the amended project then proceeded with the Controlling Board request. The item was approved without objection.

With no further business before the board, the meeting was adjourned at 3:25 p.m.

Respectfully submitted,

Francene Johnson
Controlling Board Executive Secretary

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

04/05/04 Minutes approved by the Board:
