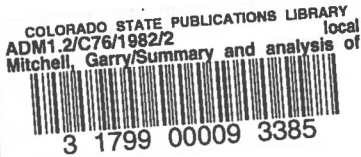


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MEMORANDUM

TO: GOVERNOR RICHARD D. LAMM DATE: APRIL 27, 1982

FROM: GARRY MITCHELL, DEPARTMENT OF ADMINISTRATION
JAMES KURTZ-PHELAN, LEGAL ADVISOR TO THE GOVERNOR

RE: SUMMARY AND ANALYSIS OF THE MACLEAN REPORT ON
STATE CONTRACTING PROCEDURES

I. BACKGROUND

In September 1981, Governor Lamm directed Garry Mitchell, Executive Director of the Department of Administration, to conduct a study of state contracting matters. In addition, he instructed Mitchell to coordinate the study with his legal advisor, James Kurtz-Phelan. The need for such a review seemed essential given several newspaper stories and other reports questioning whether state contracting procedures were carefully followed in at least two instances -- the Deferred Compensation Plan and the State Fair contracts. Because of the importance of the issue, we decided to broaden our inquiry and to include a variety of state contracts which are listed in the next section.

The next step was to determine how these studies should be conducted and by whom. It was decided that an independent investigation by a highly qualified lawyer -- and not a member of the Lamm Administration -- was essential to the integrity of the final report. Given that decision, we retained Harry MacLean. MacLean's experience in the Attorney General's Office as a First Assistant Attorney General, as the General Counsel for ACTION, and his reputation for

fair, careful and diligent investigative work made him the logical candidate for the job. MacLean's responsibilities in both the Attorney General's Office and at ACTION included contracting matters and conflict of interest issues. Therefore, in November 1981, we entered into a contract with him for a maximum of \$7,000 and approximately 235 hours of his time to conduct this study.

II. FACTUAL SUMMARY OF MACLEAN REPORT

The MacLean report consists of five separate sections addressing the following subject areas:

- I. Introduction;
- II. The State Deferred Compensation Plans Contract;
- III. State Fair Entertainment Contract;
- IV. Telecommunications Contract;
- V. Contracting procedures in the Governor's Office, including the State Services Building Contract and the Correctional industries contract; and
- VI. Capital Financing Contract.

A. The Deferred Compensation Contract

The MacLean report indicates that the State Deferred Compensation Committee, an independent committee created by statute, failed to follow the purchasing procedures properly when it published a request for proposals (RFP) which did not set forth all of the criteria which were used as the basis for the subsequent decision and which appeared to solicit proposals which the Committee had already decided were not the preferred approach. The report also found that

while Committee members made an honest judgment on the proposals submitted to them, their decision was based upon criteria which were not stated in the RFP. The report also indicates that the official tally sheets which were designed to quantify the Board's evaluation of the various plans were, in fact, completed after the Committee's decision had been made. The report also found no wrongdoing by state officials in listening to the complaints of losing bidders, although it does recommend as a matter of policy that, in the future, all discussions with losing bidders be limited to the formal appeal procedure. The report also noted the problems created by independent committees that are not located within any particular department.

B. State Fair Entertainment Contract

The MacLean report indicates that the Department of Agriculture was subjected to significant legislative pressure regarding the award of a contract to Feyline Inc., to book entertainment at the 1981 State Fair. The report indicates that Barry Fey, President of Feyline, Inc., called Governor Lamm after Morgan Smith, the Commissioner of the Department of Agriculture, had sent a memorandum to two of the state representatives involved stating that it "appears that the competitive procedures would have to be followed," meaning that a sole-source contract could not be awarded to Feyline, Inc. The report goes on to state that the Governor called Morgan Smith and told him that Barry Fey had called and that Barry Fey was very upset about a State Fair matter and asked him to look into it. The Governor was not aware of the precise issue being considered and did not ask Morgan Smith to take any particular action. The Governor had no further involvement in the matter.

The report states that Feyline' representatives continually assured the Department, the State Fair Commission, and the legislators that they could line up "big name" stars and could obtain corporate sponsorships for the State Fair, implying clearly that they had the ability to deliver more benefits than the State Fair staff. During a meeting with several legislators and Feyline representatives, legislative pressure was exerted on Morgan Smith to reverse his prior position. After reviewing all the factors and considerations, Smith finally agreed to cancel previously made offers to entertainers and agreed to have Feyline handle the entertainment package for the State Fair. The State Fair Commission subsequently concurred in this decision. Because of the time pressures created by the late date at which the Feyline contract was arranged, the State Purchasing Director, the Controller, and the Attorney General's Office approved the Feyline contract, but only after registering their objections. The report found that the sole-source contract was inappropriate and that the state did not receive the additional benefits that had been expected in the decision to contract for the booking of entertainment.

C. Telecommunications Contract

This section of the report focuses on the award of a telecommunications consulting contract to International Resources Consultants, Inc. (IRC). The report found that two individuals, while working on contract with the State, prepared an application for a federal telecommunications planning grant, and then wrote the proposal for the firm that successfully bid for work under the grant and that this created a potential for conflict of interest. The report notes, however, that this prior involvement was specifically set forth in the firm's proposal.

The report also indicates that the final decision on the contract award was based in part on criteria which had not been set forth in the RFP. A representative of one of the companies which did not get the contract sent a complaint to Governor Lamm, and the Governor asked a member of his staff to look into the matter. The Governor was assured that there was no problem and he had no further involvement in it. A formal complaint was filed, but it was withdrawn.

D. Contracting Procedures in the Governor's Office

The report focuses on two contracts which had been handled through the Governor's Office, a contract to Maria Garcia to analyze existing state leases and office space requirements in Grand Junction, Greeley, Colorado Springs, and Pueblo, and a contract to Harvey Rubinstein to provide business planning assistance to the Division of Correctional Industries. The report found that a lack of guidelines for determining when it is appropriate to handle contracts through the Governor's Office led to a situation where a contract which had no substantive connection to the Governor's Office was handled through his office. The report notes that Garcia's intention to receive the contract apparently was known to the Office of State Planning and Budgeting and members of the Legislature and others before state funds were appropriated for the project. The report also indicates that the appearance of a conflict of interest could be found in the Garcia contract, but not regarding the Rubinstein contract, since Garcia had been significantly involved in state decisions which led to her receiving the contract.

E. Capital Financing Contract

This section of the report describes the process by which a contract for financial consulting and underwriting services was awarded to Boettcher and Company in February 1980, which was amended significantly in 1982 to resolve satisfactorily problems with the original contract. The first problem involved the discrepancy between the RFP and the scope of the contracted awarded to Boettcher which was significantly broader than indicated in the RFP. The second problem concerned the conflict of interest built into the original contract, which permitted Boettcher and Company to bid for the underwriting of capital construction projects on which the Company had advised a state agency. The report also focuses on the inappropriateness of using Department of Institutions' personnel to evaluate and award a contract involving several state departments, particularly because of the past close relationship between Institutions and Boettcher and Company.

III. ANALYSIS OF REPORT

The MacLean study provides a good basis for managerial decisions about state contracting procedures. The report does not indicate that there have been any violations of state criminal statutes. Nor does it disclose any clear violations of other state statutes or regulations.

However, the report does point to several instances where fiscal rules and purchasing procedures were stretched to cover questionable contracting decisions. Some of these situations recurred in several of the contracts. For

instance, in the State Fair contract and the Correctional Industries contract, the departments, in effect, created an "emergency situation" by changing direction late in the process or by failing to initiate the RFP process in a timely fashion, thus requiring award of a contract without competitive bidding. These "self-induced emergencies" left other state officials with virtually no option but to permit a contract award without competitive bidding.

While the report does not address contracting by other states, it is important to note that state statutes and regulations do not prohibit the award of sole-source contracts. Procedures are established which should govern the award of sole-source contracts, however. Also, sole-source contracts are utilized throughout the country. The attached table entitled "State Contracting Procedures" was prepared by the National Governors' Association and indicates that all of the forty-three states surveyed use sole-source contracting and that the total dollar value of sole-source contracts is as high as \$25 million in the state of Rhode Island.

There are good reasons that many states, including Colorado, utilize contracting, including sole-source contracts. First, state personnel do not always have the time or expertise that is needed for a particular matter. Second, some services are needed so infrequently that it is not appropriate to use full-time employees. Third, some services may be needed in a geographic location that is too remote to provide the service by state employees or to competitively bid the service. Fourth, there often are firms that clearly are the only qualified contractor for a project that must be handled through a contract.

Finally, situations arise that do not permit lengthy bidding processes.

The report found that state statutes and purchasing rules provide little or no guidance as to when the statutory exemption of the Governor's Office from the fiscal rules and purchasing code should be used to enter into contracts through the Governor's Office. Legally, state law appears to totally exempt all contracts in the Governor's Office from the fiscal rules and purchasing requirements. However, as a matter of practice contracting through the Governor's Office generally has been handled in conformance with these requirements. There need to be guidelines governing the issuance of contracts through the Governor's Office which relate to matters within the purview of other state departments.

The MacLean study also sets forth an important problem in implementing contracting procedures that occurred in the Telecommunications contract, the Deferred Compensation Plan Contract, and the Capital Financing Contract. The issue involves the failure to award contracts solely on the basis of the evaluation criteria set forth in the request for proposal which is the basis on which bids are submitted. The problem is as much the failure of the Division of Purchasing to enforce the requirements that contracts be awarded only on the basis of the RFP, as it is a problem of departments not making the right decision in the first place. It is imperative that department personnel clearly and thoroughly think through the purposes of a contract and the criteria on which proposals will be considered before issuing an RFP. This also requires that open-ended RFP clauses, such as "and other appropriate factors", not be used. Otherwise, potential bidders will not be able to formulate responsive

proposals. Moreover, decisionmakers must be advised that their decision to award a contract must be based on the criteria set forth in the RFP. Otherwise, bidders will not be on an equal footing in the deliberations and the potential for unfairness, dissatisfaction and acrimony will be increased.

Another issue which recurred throughout several of the contracts centered on the lack of guidelines in state law or regulations for determining when a conflict of interest exists. This issue surfaces in the Telecommunications contract, the State Services Building Contract, the Capital Financing Contract, and the Correctional Industries Contract. The report points out that there are not any conflict of interest rules for purchasing decisions which would permit state employees to have a clear understanding of how to avoid a conflict of interest associated with having people who were involved in RFP preparation also submit bids on the contract. No state law addresses this issue. In the contracts reviewed by MacLean, varying degrees of effort were made to deal with the concern. In the Telecommunications contract, the fact of prior involvement of one company was specifically set forth in the company's bid. On the other hand, the issue was not recognized in the development of the Capital Financing Contract RFP. In between was the State Services Building contract where, apparently, most of the parties involved were aware that the person who participated in development of the proposal would get the contract even though this was never formally disclosed in writing.

The report does a good job of providing analytical coherence to a consideration of the conflict of interest issue in this context. While the phrase is frequently bandied about in the press and in common parlance, people seldom do

the kind of hard thinking that is necessary to determine whether a conflict of interests exists. The report sets forth the concepts of a "simultaneous conflict" and the "sequential conflict". A simultaneous conflict occurs when one person or entity has allegiance to two separate principals whose interests are not in common. This kind of conflict must be identified before a decision is made and the person involved can then withdraw from the decision or divest him or herself of one of the conflicting interests. Interestingly, the state statute on conflicts of interest merely requires a state official to disclose the fact of the conflict, but not to divest him or herself of the decision or the interest. The state code of ethics seems to go further, though, to require divestment of decisionmaking authority.

The sequential conflict occurs only after an initial decision has been made. The potential for this conflict primarily affects state employees after they have left state service, or state contractors after they have completed a particular contract. Avoiding this conflict can become difficult as participants change over time, memories fade, and the record of past involvement becomes less visible.

The report recommends that the Department of Administration determine if it presently has sufficient statutory authority to adopt conflict of interest rules and, if so, to adopt such rules to address these kinds of concerns in state contracting procedures. This process should be started immediately, and a directive should be issued advising all state officials and employees to make every effort to avoid these kinds of conflicts of interest.

Finally, the MacLean report indicates some of the problems that can occur when members of the Legislature get involved in executive decisions about state contracts. The report indicates that the State Fair issue would probably never have occurred but for intense pressure from several legislators. Similarly, several legislators allegedly approved having the State Services Building Contract processed through the Governor's Office.

The report also touches on several other matters that are addressed in the recommendations that follow. One is the issue of how to handle appeals from contract award decisions. Another is the need for independent legal advice to boards that have an attorney as a member. A third is the need to require that contractors have all required licenses, etc., as a condition of payment under the contract.

It is important to note that there is no evidence in the report to indicate that the Governor improperly attempted to influence state contracting. On the other hand, when the Governor received complaints about the State Fair contract and the Telecommunications contract before they were signed, he asked his appointed official or a member of his staff to look into the matter. He was advised that there was no problem with the Telecommunications contract and was not told of the change in approach to the State Fair contract. Finally, when the Governor learned that questions were being raised about various state contracts, he initiated this review to determine what the circumstances were and what actions should be taken.

IV. RECOMMENDATIONS

A. Contracting through the Governor's Office.

1. Contracts should be handled through the Governor's Office only when they involve matters of direct interest to the Governor, and with which the Governor's Office has some administrative and supervisory responsibility, whether singly or jointly with a department of state government.
2. Guidelines should be developed to govern contracting through the Governor's Office.

B. Conflicts of Interest.

1. No contracts should be awarded to persons who were involved in developing a contract proposal during their term of state service, or to companies hiring such persons.
2. No state employee can participate in contract preparation with the idea or the intention of bidding on or receiving the contract after leaving state service. Similarly, no consultant or contractor to the state can participate in the contract preparation with the intention of bidding on the subsequent contract.
3. Conflict of interest rules should be developed by the Department of Administration with the advice of the Attorney General.

C. Contract award and Request for Proposal (RFP) procedures.

1. When an RFP includes selection criteria, only those criteria should be used in awarding the contract. Open-ended RFP criteria should not be used. If the criteria are changed, the RFP should be readvertized, or all potential bidders should be notified of the changes and afforded the opportunity to revise their bids. The detailed criteria, including the scoring of points for various factors, should be developed and finalized prior to the opening of the bids.
2. Contracts should be awarded on the basis of a rational application of the criteria to the proposals. RFP criteria should not be used as post hoc rationalizations for decisions made on another basis.
3. The Department of Administration should request additional funding from the Legislature to provide better training and education of agencies in the use of contracting procedures and to develop more extensive written instructions.

4. The Department of Administration should be directed to exercise greater control over contracting to ensure compliance with requirements, while also ensuring efficient and timely processing of contracts.
5. The appeals procedure contained in the new procurement code and the regulations should be strictly followed.
6. A final resolution should be made of whether the State Deferred Compensation Committee is subject to the fiscal rules and the procurement code and regulations, as well as in what department, if any, the Committee can and should be located.
7. All contracts should include a clause which requires the contractor to have in effect all necessary approvals, licenses, etc. prior to the payment and, absent sufficient reasons, prior to the contract being finalized or signed.
8. All bodies which make contract decisions should have access to independent legal advice from the Department of Law.

D. Use of sole-source contracts by departments.

1. Sole-source contracts should continue to be used when justified, but only in compliance with purchasing rules.
2. The Department of Administration should be directed to enforce strictly the provisions in the new procurement code and regulations relating to the issuance of sole-source contracts over \$10,000. When it is unclear whether a sole-source contract is permitted, the issue should be resolved in favor of competitive bidding.
3. The director of the Department of Administration should issue a directive on sole-source and emergency contracts to all departments, clarifying the limited circumstances and appropriate procedures under which contracts may be awarded without competitive bidding.
4. The director of the Department of Administration should require his or her approval on all sole-source and emergency contracts.

ATTACHMENT 2: SUMMARY TABLE

"State Contracting Procedures"

April 1982

Office of State Services, National Governors' Association

	Alabama (Gov. James)	Alaska (Gov. Hammond)	Arizona (Gov. Babbitt)	Arkansas (Gov. White)
Does your state contract for general types of services?	Yes	Yes	Yes	Yes
Does your state contract with outside professional consultants?	Yes	Yes	Yes	Yes
What types of activities/functions are covered by contracts and consultant services?	Engineering architecture/design, education, medicine, legal services, construction	Personnel management, construction, architectural design, medicine, specific studies, food service management, legal services	Education entertainment, accounting, auditors, data processing	Architecture, highway construction, building contractors, legal services, education, training
Is the competitive bidding process used to obtain outside services?	Yes	Yes	Yes	Yes
Is the sole-source contract process used to obtain outside services?	Yes	Yes	Yes	Yes
How frequently is sole-source contract used?	Infrequent	Frequent approx. 25%	Infrequent	Infrequent
What is the total amount of dollars spent on contracts/consulting services during the past year?	Information not available	Approx. \$100 million	\$47 million	Approx. \$38 million

	California (Gov. Brown)	Connecticut (Gov. O'Neill)	Delaware (Gov. du Pont)	Florida (Gov. Graham)
Does your state contract for general types of services?	Yes	Yes	Yes	Yes
Does your state contract with outside professional consultants?	Yes	Yes	Yes	Yes
What types of activities/functions are covered by contracts and consultant services?	Maintenance, printing, architecture, construction, education engineering, medicine health, data processing, transportation	Engineering, architecture, program and system computer work, construction of highway and buildings, department review, specific studies	Roads, bridges, security, custodial services, computer services, architectural, engineering	capital construction, equipment maintenance, professional services, non-professional services
Is the competitive bidding process used to obtain outside services?	Yes	No	Yes	Yes
Is the sole-source contract process used to obtain outside services?	Yes	Engineers/architects are sole source	Yes	Yes
How frequently is sole-source contract used?	Infrequent	Frequent approx. 25%	Infrequently--in emergencies only	Frequent
What is the total amount of dollars spent on contracts/consulting services during the past year?	Information not available	Information not available	Information not available	Information not available

	Georgia (Gov. Busbee)	Illinois (Gov. Thompson)	Indiana (Gov. Orr)	Iowa (Gov. Ray)
Does your state contract for general types of services?	Yes	Yes	Yes	Yes
Does your state contract with outside professional consultants?	Yes	Yes, but rarely	Yes	Yes
What types of activities/functions are covered by contracts and consultant services?	Roads, bridges, buildings, legal, medical, architects, engineers, data processing/systems support, management consultant, auditing, training	Roads, building construction, engineering	Roads, major construction, architect, legal services	Roads, software packages for accounting, legal services
Is the competitive bidding process used to obtain outside services?	Yes	Yes	No	Yes
Is the sole-source contract process used to obtain outside services?	Yes	Yes, for professional and artistic activities	Yes	Yes, for performers and specialized professionals
How frequently is sole-source contract used?	Professional consultants 100% of time; non-professional, consultants, 20% of time	Information not available	Information not available	Sometimes
What is the total amount of dollars spent on contracts/consulting services during the past year?	\$123 million-- does not include capital construction	Information not available	Information not available	Information not available

	Kansas (Gov. Carlin)	Kentucky (Gov. Brown)	Louisiana (Gov. Treen)	Maine (Gov. Brennan)
Does your state contract for general types of services?	Yes	Yes	Yes	Yes
Does your state contract with outside professional consultants?	Yes	Yes	Yes	Yes
What types of activities/ functions are covered by contracts and consultant services?	Road construction, capital construction, auditing, data processing, training, architecture, engineering, legal services, medical services	Engineering, architecture, data processing, state insurance, legal services	Roads, janitors, pest control, professional services, handwriting experts, artists	capital construction, printing, reorganize state agencies, education, specialized studies
Is the competitive bidding process used to obtain outside services?	Yes	Yes	No	Yes
Is the sole-source contract process used to obtain outside services?	Yes	Yes	Yes, in certain cases	Yes
How frequently is sole-source contract used?	Infrequent	Infrequent	Infrequent	Infrequent
What is the total amount of dollars spent on contracts/consulting services during the past year?	Information not available	Information not available	Information not available	Information not available

	Maryland (Gov. Hughes)	Massachusetts (Gov. King)	Michigan (Gov. Milliken)	Minnesota (Gov. Quie)
Does your state contract for general types of services?	Yes	Yes	Yes	Yes
Does your state contract with outside professional consultants?	Yes	Yes	Yes	Yes
What types of activities/functions are covered by contracts and consultant services?	commodities, janitors, architecture, engineers, highways, computers, management activities, professional services	highways, real estate, data processing studies	guards, janitors, printing, day/foster care, business functions associated with contracts, internal management, architecture, information systems, feasibility studies	anything from medicine to bridge design
Is the competitive bidding process used to obtain outside services?	Yes	Yes	Yes	Yes
Is the sole-source contract process used to obtain outside services?	Yes	Yes, in emergencies	Yes	Yes, when justified
How frequently is sole-source contract used?	Infrequent	Infrequent approx. 25%	Infrequent	Infrequent
What is the total amount of dollars spent on contracts/consulting services during the past year?	\$240 million total	Information not available	\$500 million total	\$50 million total

	Mississippi (Gov. Winter)	Missouri (Gov. Bond)	Montana (Gov. Schwinden)	Nevada (Gov. List)
Does your state contract for general types of services?	Yes	Yes	Yes	Yes
Does your state contract with outside professional consultants?	No	Yes	Yes	Yes
What types of activities/functions are covered by contracts and consultant services?	Contracts are generally for commodities and construction	Professional services, building design and construction, janitorial services, medicine, etc.	Professional services, janitorial services, grounds maintenance, elevator maintenance, state buildings, highways, architecture, medicine	All services which are not provided for under the state system
Is the competitive bidding process used to obtain outside services?	Yes	Yes	Yes	Yes
Is the sole-source contract process used to obtain outside services?	Yes, for all contracts under \$500	Technically no, but in practice, yes	Yes	Yes
How frequently is sole-source contract used?	Infrequent	Infrequent	Infrequent	About 50%
What is the total amount of dollars spent on contracts/consulting services during the past year?	Information not available	Information not available	Information not available	Information not available

	New Hampshire (Gov. Gallen)	New Jersey (Gov. Kean)	New Mexico (Gov. King)	New York (Gov. Carey)
Does your state contract for general types of services?	Yes	Yes	Yes	Yes
Does your state contract with outside professional consultants?	Yes	Yes	Yes	Yes
What types of activities/ functions are covered by contracts and consultant services?	Construction, public works, human services, building maintenance, architectural and design work, training, seminars, health and welfare projects	Professional services, building maintenance, housekeeping, equipment repair, architecture, legal services, fiscal management, data processing	Professional services, architectural design, management consultant, janitorial services, legal services	Construction work, architecture, engineering, accounting, legal services, garbage collection, survey work, feasibility studies
Is the competitive bidding process used to obtain outside services?	Yes	Yes	Yes	Yes
Is the sole-source contract process used to obtain outside services?	Yes	Yes	Yes	Yes
How frequently is sole-source contract used?	Infrequent	Infrequent	Cannot be determined	Infrequent
What is the total amount of dollars spent on contracts/consulting services during the past year?	Information not available	Products and services \$500 million	\$59 million	Information not available

	North Carolina (Gov. Hunt)	Ohio (Gov. Rhodes)	Oklahoma (Gov. Nigh)	Oregon (Gov. Atiyeh)
Does your state contract for general types of services?	Yes	Yes	Yes	Yes
Does your state contract with outside professional consultants?	Yes	Yes	Yes	Yes
What types of activities/functions are covered by contracts and consultant services?	Janitorial services, feasibility studies, management, media services, equipment maintenance, data processing, communications, social services, personnel training, security, transportation, architecture, legal services	Engineers, architects, construction, medicine, accounting, legal services	Pest control, carpentry, time management of agencies, health services, architects, professional services, contractual services	Health, social services, building maintenance, flood service, service for mentally retarded and aged, architecture, engineering, janitorial service
Is the competitive bidding process used to obtain outside services?	Yes	Yes	Yes	No
Is the sole-source contract process used to obtain outside services?	Yes	Yes	Yes	Yes
How frequently is sole-source contract used?	Infrequent	Frequent 50%	Frequent	Frequent
What is the total amount of dollars spent on contracts/consulting services during the past year?	Information not available	Approximately \$500 million	Information not available	Approximately \$200 million

	Pennsylvania (Gov. Thornburgh)	Rhode Island (Gov. Garrahy)	South Carolina (Gov. Riley)	South Dakota (Gov. Janklow)
Does your state contract for general types of services?	Yes	Yes	Yes	Yes
Does your state contract with outside professional consultants?	Yes	Yes	Yes	Yes
What types of activities/functions are covered by contracts and consultant services?	Architectural work, day care, management for hospitals, financial affairs, personnel accounting, computer services	Architectural work, engineers, toxic waste and chemical analysis	Security guards, medical services, day care centers, medicare providers, medicaid providers, food services, policy studies, feasibility studies	Personnel services, data processing applications, railroad feasibility studies and programs for rate structures
Is the competitive bidding process used to obtain outside services?	Yes	Yes	Yes	Yes
Is the sole-source contract process used to obtain outside services?	Yes	Yes	Yes	Yes
How frequently is sole-source contract used?	Frequent Approx. 50%	Infrequent--only in emergencies	Frequent	Infrequent
What is the total amount of dollars spent on contracts/consulting services during the past year?	\$2 million consulting	\$25 million for sole source	Approximately \$200 million	Information not available

	Tennessee (Gov. Alexander)	Texas (Gov. Clements)	Vermont (Gov. Snelling)	Virginia (Gov. Robb)
Does your state contract for general types of services?	Yes	Yes	Yes	Yes
Does your state contract with outside professional consultants?	Yes	Yes	Yes	Yes
What types of activities/functions are covered by contracts and consultant services?	Legal services, roads and bridges, highways, janitors, maintenance, equipment purchase, goods and supplies	Purchasing equipment maintenance, construction, architecture, professional services	Construction, personal services like doctors, nurses, lawyers, accounting, audits, studies	Special studies, management advice, computer programming, audits, individual services, medical services, janitorial and legal services
Is the competitive bidding process used to obtain outside services?	Yes	Yes	Yes	Yes
Is the sole-source contract process used to obtain outside services?	Yes	Yes, especially professional service	Yes	Yes
How frequently is sole-source contract used?	Infrequent	Infrequent (6%)	Infrequent	Infrequent
What is the total amount of dollars spent on contracts/consulting services during the past year?	Information not available	\$900 million total	Approximately \$25 million	Information not available

	Washington (Gov. Spellman)	West Virginia (Gov. Rockefeller)	Wisconsin (Gov. Dreyfus)
Does your state contract for general types of services?	Yes	Yes	Yes
Does your state contract with outside professional consultants?	Yes	Yes	Yes
What types of activities/functions are covered by contracts and consultant services?	Construction, public works, janitorial services, professional services (doctors, etc.), special studies, scientific research, accountants	Professional services, janitorial services and maintenance, accounting, scientific research, computer programming	Appraisers, artists, medicine, legal services, accounting, maintenance, trash collection, performing arts at universities, audits, specialized studies
Is the competitive bidding process used to obtain outside services?	Yes	Yes	Yes
Is the sole-source contract process used to obtain outside services?	Yes, for emergencies	Yes	Yes
How frequently is sole-source contract used?	Infrequent	Frequent (Approx. 25%)	Infrequent--about 15-20% of contracts
What is the total amount of dollars spent on contracts/consulting services during the past year?	Approximately \$860 million	Approximately \$30-40 million	Approximately \$60 million