

**December 31, 2014**

**Task Force on Contracting and Procurement in the  
Mississippi Department of Corrections**

**Preliminary Report to Governor Phil Bryant**

**In Partial Fulfillment of the Charge of Executive Order 1346 of November 7, 2014,  
and Governor Phil Bryant's Directive Letter of November 14, 2014**

Pursuant to the direction of Governor Phil Bryant, the Task Force on Contracting and Procurement in the Mississippi Department of Corrections, submits this preliminary report of its work to date and initial recommendations.

Since its inception on November 21, 2014, the Task Force has already met three times, on December 12, December 19 and December 29, 2014. Copies of the approved minutes of the December 12 and December 19 minutes are attached to this report, along with draft minutes of the December 29 meeting, as Exhibits "A," "B," and "C," respectively.

During the course of its meetings, the Task Force has discussed at length the scope of work assigned to it and developed mechanics for managing the scope of work. Key support staff has been assigned to the Task Force by the State Personnel Board (Shawn McGregor), the Department of Finance and Administration (Monica Ritchie), the State Auditor's Office (Pat Dendy and Eddie Smith), and the Governor's Office (Drew Snyder and J.W. Ledbetter, with additional support provided by Bobby Waites and Joey Songy). The Task Force gratefully acknowledges the work of each of these devoted state employees, and also the important contributions to the work made by Debbie Carney of the Governor's Office, Kishara Lewis of the SPB, and Kym Wiggins of DFA.

The Task Force received excellent written overviews of the legal roles of DFA, the SPB and the Department of Information Technology Services in the review and approval of certain contracts at MDOC. In addition, the Task Force has received oral presentations on processes and recommendations from Rick McCarty, Interim MDOC Commissioner, Deanne Mosley, Executive Director of the SPB, and Dr. Craig Orgeron, Executive Director of ITS.

The Task Force established a schedule of benchmark deliverables, including a number of additional reports to the Governor, through the end of June, 2015, and a schedule of meetings

that coincides with the deliverables contemplated. Copies of the schedule of deliverables and meeting schedule are attached to this report as Exhibits "D" and "E," respectively.

Very recently, Task Force members consulted with Governor Bryant in connection with the Governor's appointment of Marshall Fisher as MDOC Commissioner through 2015.

In view of the fact that the Legislature convenes on January 6, and because some of the Task Force's initial recommendations require legislative consideration and action, the Task Force is here providing an initial list of recommendations, while expecting to provide a more thorough list as its work continues.

#### Initial Recommendations:

1. Terminate all MDOC contracts with remaining terms of longer than six months and which were not competitively bid or for which no alternative proposal was requested or received – including contracts for which no bid or RFP process was required under current law – and immediately commence competitive bid process to replace terminated services deemed essential to operations of MDOC or required by statute or court order.
2. Require contractual warranty and representation from each vendor entering a contract with a state agency that no consultant has been or is to be retained by the vendor in connection with the securing of the contract or the provision of goods or services under the contract, or fully identifying by name, services provided and fee paid and received each consultant retained by the vendor, in a manner similar to reporting requirements for lobbyists and lobbyists' clients under Mississippi law.
3. Require contractual warranty and representation from each vendor entering a contract with a state agency identifying by name and address each principal of the vendor owning or controlling a greater than 5% interest in the vendor's business.
4. Reconstitute Personal Service Contract Review Board as a five-member, independent board (similar to composition of ITS Board), members to be appointed by

the Governor. At least three members should have experience as a corporate Chief Financial Officer or equivalent, hospital Chief Financial Officer or equivalent, and bank Chief Financial Officer or equivalent (to provide expertise in general business, healthcare, and finance arenas). Among first actions of new board should be a review of existing procurement rules and the development of recommendations for improvement.

5. Require all state agency contracts (or at least personal and professional service contracts) of \$100,000 or more to be competitively bid. Severely limit emergency contracts.

6. Eliminate from statute all exemptions from the bid process for MDOC contracts.

7. As recommended by the PEER Committee in its Report No. 577 dated November 12, 2013, require all agencies to post advertisements and solicitations for bids, RFQs and RFPs on "State Contract/Procurement Opportunity Search" website. Require agencies to post on the site any intent to issue RFQs or RFPs at least four weeks in advance of advertisement or solicitation. Require DFA, ITS, and PSCRB to prominently display the link to the "Opportunity Search" website on the respective home pages of those agencies' websites, and all other agencies to post links to the "Opportunity Search" site on their websites.

8. Add to the transparency requirement that the analysis for the award of contracts be posted at the time each executed State contract is posted online.

9. Require all businesses desiring to do business with the State to register with the Secretary of State. Demonstration of proof of registration should be required of prospective vendors at the beginning of any procurement process.

10. Establish confidential hotline in offices of the Attorney General and State Auditor for citizens and state employees to report suspected fraud or other wrongdoing.

Require agencies to post in their workplaces confidential hotline and whistleblower protection information in the same manner they post federal and state employment information.

11. Require appropriate state agency (*e.g.*, Office of State Auditor or Ethics Commission) to conduct financial status reviews of state agency heads at least every four years, with potential problems reported to Attorney General for investigation.. Strengthen annual financial disclosure requirements for state agency heads.

12. Appoint independent investigators or request Legislative PEER Committee to conduct reviews and publish analyses of:

- a. Management, functionality and compliance with law at Walnut Grove Correctional Facility;
- b. The provision of commissary services in all correctional facilities, and the historical decision to privatize commissary services rather than manage those services as a component of facility management; and
- c. The true value to State of privatized correctional operations compared to State run operations and relative benefits or costs associated with privatization.

Consistent with the deliverables benchmarks described on Exhibit “D” to this report, the Task Force anticipates providing an additional framework of specific legislative proposals in advance of the bill introduction deadline for the 2015 Regular Session of the Mississippi Legislature, and additional reports later in the year.

It is the hope of the Task Force to have been able to complete the work assigned us by June 30, 2015.

Respectfully submitted,

Andy Taggart, Co-Chairman

Robert Gibbs, Co-Chairman

Bill Crawford

Mike Moore

Constance Slaughter-Harvey

