



OHIO DEPARTMENT OF TRANSPORTATION

CENTRAL OFFICE • 1980 WEST BROAD STREET • COLUMBUS, OH 43223
JOHN R. KASICH, GOVERNOR • JERRY WRAY, DIRECTOR

September 27, 2011

Mr. Randall J. Meyer
Inspector General
Office of the Inspector General
30 East Broad Street, Suite 2940
Columbus, Ohio 43214

2011 SEP 28 PM 3:13
OFFICE OF
INSPECTOR GENERAL

Dear Inspector General Meyer:

The Ohio Department of Transportation (ODOT) has reviewed your report of investigation number 2008-238. ODOT would like to offer the following response to the recommendations found in your report.

RECOMMENDATION 1: To avoid conflicts of interests, property management companies may not be approved agents of the Office of Procurement for Community Rehabilitations Programs.

RESPONSE: ODOT's contract with Positivity expired on September 30, 2009. Since that time, oversight of CRP contracts has been conducted by ODOT staff. If ODOT issues another property management RFP in the future, it will include adequate conflict-of-interest language to insure that the selected property manager may not be an approved agent of the Office of Procurement for Community Rehabilitation Programs.

RECOMMENDATION 2: To ensure accuracy of timekeeping, ODOT should implement an electronic timekeeping method for recording beginning and end work times for employees. ODOT should also improve their system of checks and balances related to his program.

RESPONSE: ODOT provides each CRP with sign-in/out sheets at each facility. These are later matched against the CRP invoices to verify the total hours worked. Any discrepancies result in an adjustment to the CRP's bill. ODOT is developing an audit program to review CRP billings. The audit program is focused on labor and overhead as those items account for 85% to 95% of CRP expenditures. The audit program will verify proper billing by comparing invoiced hours against certified payrolls of the CRP. Any findings will be submitted to senior leadership for further determination.

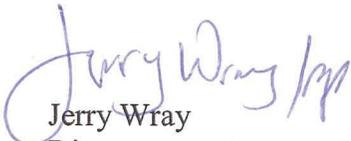
RECOMMENDATION 3: The Office of Procurement for Community Rehabilitation Programs (OPCRP) should establish a consistent written policy for determining the fair market price for services provided where available. The OPCRP should also establish thresholds for when community rehabilitation program services are "not advantageous" and when a waiver will be granted pursuant to ORC §125.609.

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RESPONSE: The Office of Procurement for Community Rehabilitation Programs (OPCRC) is a part of the Department of Administrative Services. ODOT has no control over the operation of OPCRC but is willing to assist if requested in developing the thresholds for the program waiver.

Should you have any additional questions, please do not hesitate to contact me.

Sincerely,


Jerry Wray
Director

September 30, 2011

2011 OCT -7 AM 10: 24

Randall J. Meyer, Inspector General
Office of the Inspector General
30 East Broad Street, 29th Floor
Columbus, Ohio 43215-3414

RE: Report of Investigation 2008-238, Ohio Department of Transportation

Dear Inspector General Meyer:

This letter is a follow-up to the investigation of Possitivity, a former contractor to the Ohio Department of Transportation (ODOT). Among the recommendations to ODOT were two recommendations to the Ohio Department of Administrative Services (DAS). The following is our response to the recommendations found in that report.

Recommendation: To avoid conflicts of interests, property management companies may not be approved agents of the Office of Procurement from Community Rehabilitation Programs

In order to avoid conflicts of interests and prevent approved OPCRP agents to serve in the capacity of property management companies (or other capacities) for a government ordering office in the future, it is recommended that a clause be added to the requirements for agent certification stating "The entity attests that it will solely represent community rehabilitation programs and that it does not, nor will not, during the term of the agent's agreement, provide any consulting, management, or other direct service of value for, or on behalf of, the Ohio government ordering office to which it is serving as a certified OPCRP agent."

Recommendation: The Office of Procurement for Community Rehabilitation Programs (OPCRP) should establish a consistent written policy for determining the fair market price for services provided by CRP's. This should include consulting the private sector for services provided where available. The OPCRP should also establish thresholds for when community rehabilitation program services are "not advantageous" and when a waiver will be granted pursuant to ORC §125.609

The Office of Procurement Services shall develop written procedures that establish guidelines to successfully determine fair market price. The Office of Procurement Services will review the content found in the FAR Section 19.202-6, similar policies established by other states, and other national standards prior to development and implementation of a policy for the state of Ohio.

If you have any questions or concerns, please feel free to contact me.

Sincerely,



Robert Blair
Director

cc: Randall Howard, Assistant Director
Lisa Iannotta, Chief Legal Counsel
Jeffrey Westhoven, Deputy Director