

**REVISED
SUPPLEMENTAL AGENDA**

ALC/Review Subcommittee

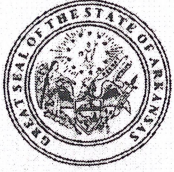
Tuesday, January 14th, 2020
1:30 pm, Room A MAC

A. Methods of Finance

1. National Park College
2. National Park College

B. Services Contracts

1. DHS With Classic Optical Lab



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF ACCOUNTING
1509 West Seventh Street, Suite 403
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-1675
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A

January 7, 2020

Ms. Kathy Schmidt
Legislative Council
One Capital Mall, 5th Floor
Little Rock, AR 72201

Dear Ms. Schmidt:

Please arrange for the following items to be placed on the supplemental agenda for consideration at the next Review Committee meeting:

National Park College
National Park College

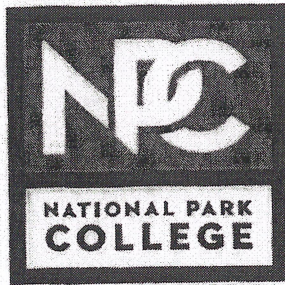
MOF# 04612
MOF# 04613

Thank you for your consideration.

Sincerely,

Paul S. Louthian, CPA
Deputy Director
Comptroller of the State

PSL:lw



January 6, 2020

The Honorable Scott Flippo, Chair
The Honorable Andy Davis, Chair
Arkansas Legislative Council – Review Subcommittee
State Capitol Building
Little Rock, AR 72201

Dear Senator Flippo and Representative Davis:

National Park College (NPC) requests a suspension of the Committee rules requiring submission of items 10 days in advance of a committee meeting to review the attached MOF's. The projects are for the renovation of the Fisher Campus Center: \$2,453,700; and for the expansion of the Laboratory Science Building: \$1,562,577.

This request to review both MOF's is needed due to an oversight at the Division in the submission of the MOF's before the holiday break. The MOF's were sent by NPC to ADHE on 12/20/19 and forwarded to DFA with questions regarding how to list the sources of funds. A response was sent to NPC from ADHE on 12/30/19, but NPC was closed for the holiday break. Changes to the MOF's were received on Monday morning, 1/6/2020. Review of these MOF's prior to the next scheduled meeting is needed to prevent a delay in the contract awards process for each of the projects. Should you require additional information, please let me know and I will be of assistance.

Thank you for your consideration in this matter.

Sincerely,

Steven W. Trusty
Vice President for Finance and Administration
National Park College

Methods of Finance for January 14th, 2020 JBC Review

AGENCY	PURPOSE/PROJECT	INITIAL TOTAL Initial Cost	ESTIMATED TOTAL PROJECTED COST	REVISED TOTAL Date of Revision	CURRENT REVISED TOTAL	TYPE OF FUNDING	EST. START COMPLETION
1 National Park College - MOF #04613	Laboratory Science Project. NPC wishes to expand its science and engineering labs to offer upper level courses in organic chemistry, biochemistry, and physics as part of our partnership to offer four year degree programs with Southern Arkansas University.	\$1,562,577.00	\$1,562,577.00			Cash Funds 100%	01/2020 06/2021
2 National Park College - MOF #04612	Fisher Building Renovation. Renovation in the Fisher Campus Center will include retrofitting the first floors to house and expand the Hospitality & Tourism program, and to relocate the Innovative Technology from an offsite location.	\$2,453,700.00	\$2,453,700.00			Cash Funds 100%	01/2020 06/2021



Office of Procurement
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B

January 13, 2020

The Honorable Scott Flippo, Chair
The Honorable Andy Davis, Chair
Arkansas Legislative Council – Review Subcommittee
State Capitol Building
Little Rock, AR 72201

Dear Senator Flippo and Representative Davis:

The Department of Human Services (DHS) requests a suspension of the Committee rules requiring submission of items 10 days in advance of a committee meeting to review the attached seventh amendment to contract # 710DMI7013 between DHS and Classical Optical Laboratories, Inc (Optical) for Medicaid Vision Services.

This request to review the contract amendment is needed due to an extensive search DHS has undertaken to determine whether any of our Medicaid services contracts were over the approved legislative authority amount. The Optical contract was procured through an Invitation for Bid with a start date of December 1, 2013 and will end on November 30, 2020. The legislatively approved total projected cost for the seven-year contract is \$22,057,224.70. As of January 8, 2020, the paid to date amount for the contract is \$21,492,755.59. DHS is requesting the amendment to add funds to the contract so that Optical can provide eyeglasses, lenses, frames and related articles to eligible beneficiaries of the Arkansas Medicaid program for the remainder of the duration of the contract. Please let me know if you require additional information.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mary Kathryn Williams'.

Mary Kathryn Williams, J.D.
Chief Procurement Officer

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MEMORANDUM

To: Edward Armstrong, Director of Arkansas State Procurement

From: Mary Kathryn Williams, Department of Human Services

Re: Ratification Request, Classic Optical, formerly BSA Industries Inc Select Optical (BSA)

Date: January 13, 2020

The Department of Human Services (DHS) requests ratification of expenses to allow payment for services provided by Classic Optical, formerly BSA Industries Inc Select Optical (Optical) for Medicaid Vision services since December 1, 2013, in addition to expenses incurred up until action in the legislature.

	Legislative authority	Paid amount	Annual overspend
2014	\$3,151,032.10	\$3,574,311.62	\$423,279.52
2015	\$3,151,032.10	\$3,597,444.58	\$446,412.48
2016	\$3,151,032.10	\$3,699,714.04	\$548,681.94
2017	\$3,142,154.60	\$3,852,338.03	\$710,183.43
2018	\$3,142,154.60	\$3,514,288.31	\$372,133.71
2019	\$261,846.22	\$2,994,938.77	\$2,733,092.55
2020	\$3,142,154.60	\$259,270.24	

The legislatively reviewed total projected cost for this contract for services dated from December 1, 2013 and ending November 30, 2020 is \$22,057,224.70. The pay to date amount on January 8, 2020, was \$21,492,755.59.

This request for ratification is needed due to an extensive search DHS has undertaken to determine whether any of our Medicaid services contracts were over the approved legislative authority amount. The Optical contract was procured through an Invitation for Bid with a start date of December 1, 2013 and will end no later than November 30, 2020. The legislatively approved total projected cost for the seven-year contract is \$22,057,224.70. As of January 8, 2020, the paid to date amount for the contract is \$21,492,755.59.

Optical provides eyeglasses, lenses, frames and related articles to eligible beneficiaries of the Arkansas Medicaid program. Optical provided what, by every measure, seem to be genuine services to Arkansas during the contract period. There is no indication that Optical acted in bad

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faith or intended to act in a fraudulent manner. It is in the best interest of the State to continue to provide vision services.

DHS has developed an internal control which will ensure contract payments will not be made in excess of legislative authority. This internal control has been submitted to the Office of Inspector General for review.

Sincerely,

A handwritten signature in black ink, appearing to read 'MK Williams', with a stylized flourish at the end.

Mary Kathryn Williams, J.D.
Chief Procurement Officer

SUMMARY SCHEDULE OF STATE AGENCY CONTRACTS
FOR ARKANSAS LEGISLATIVE COUNCIL REVIEW
Out-of-State Contracts

1. Agency: Human Services Department		Contractor: BSA Industries, Inc. dba Select Optical	
Div/Prog: Division of Medical Services		Location: Columbus	State: OH
Service Type: Technical & General Services (TGS)			
Total Authorized:	\$9,688,310.02	Org. Term:	Procurement: IB
Total After Review:	\$13,965,828.31	Funding: Federal - 70% - [Medicaid (CFDA 93.778)]; State - 29%	
Total Projected:	\$22,057,224.70	MOF:	Contract Number: 710DM17013
Org/Amt:	Amount	Paid To Date	Objective:
Amd. 7	4,277,518.29	21,492,755.59	Increase funding and the Total Projected Cost for optical supplies for the Medicaid Vision Program Services due to increased utilization.
History:			
Amd. 6	3,142,154.60	16,795,699.00	Amend to extend, change the vendor name and number, and add funds for optical supplies for the Medicaid Vision Program.
Amd. 5	261,846.22	12,857,097.12	Amend to extend and add funds to continue to the State's Medicaid Vision Program.
Amd. 4	3,142,154.60	11,208,624.23	Amend to extend and add funds for an additional year.
Amd. 3	3,142,154.60	8,151,408.80	To amend to extend, add funding and update the frame selection menu to continue the State of Arkansas' Medicaid Program Vision Services.