



Tyson Plastow <tplastow@utah.gov>

UIPA - Question regarding sole source4 messages

Jill Flygare <jflygare@utah.gov>

Thu, Aug 25, 2022 at 5:27 PM

To: Tyson Plastow <tplastow@utah.gov>

Cc: Taneesa Wright <taneesawright@utah.gov>, Lynne Mayer <lmayer@utah.gov>

Hi Tyson,

Taneesa forwarded to me your email below.

Utah Inland Port Authority ("UIPA") is an independent state corporation (see Utah Code Ann. § 11-58-201(2)). It is exempt from the state procurement code (see Utah Code Ann. § 63E-2-109(f)). UIPA's board adopted a Procurement Policy which provides, in relevant part, as follows:

i. Sole Source Procurement may arise when UIPA requires a Supply or Service of a unique or specialized nature, and only one known supplier is reasonably available to meet the need; or when specific parts, accessories, equipment, material, Services, proprietary items or other items are necessary to meet UIPA's needs and there are no comparable items reasonably available; or items are procured for resale.

ii. UIPA may utilize sole source procurement in lieu of the formal procurement requirements set forth in this Policy when the Purchasing Agent determines that its use is appropriate.

UIPA's executive director and team, under authorization from the board, desired to engage a contractor to design and build a 5G communications network to track the movement of goods through the state of Utah and beyond. To UIPA's knowledge, this unique and specialized network is the first of its kind in the United States. UIPA's executive director, utilizing his contacts in the logistics industry, contacted 5-7 entities and individuals to discuss their ideas and proposals about how to build such a network. In discussions with the Port of LA about this network, it was suggested to the executive director that he contact Andrew Scott at Quaychain, a person who had previously worked in a different group (and in a different building) for the Port of LA at the same time that the executive director had worked there.

After all of these discussions, interviews and submitted proposals with multiple entities, the executive director determined that Quaychain was the only entity that had sufficient technical knowledge of both communications, networks and logistics to be able to work with UIPA's team to design and build this first of its kind unique and specialized network. Accordingly, using the authority in the Procurement Policy, UIPA entered into a sole source procurement contract with Quaychain for this project.

Attached please find copies of the Procurement Policy and the executed contract with Quaychain. If you need anything else, please let me know.

Sincerely,

Jill

--

Jill Flygare

Deputy Executive Director, Chief Operating Officer

o: 801.538.8950

m: 801.577.7253

jflygare@utah.gov

inlandportauthority.utah.gov/



----- Forwarded message -----

From: **Tyson Plastow** <tplastow@utah.gov>

Date: Wed, Aug 24, 2022 at 10:47 AM

Subject: Question Regarding Sole Source Procurement

To: <taneesawright@utah.gov>

Taneesa,

I am sending this request to you since you are the GRAMA officer for the Inland Port Authority (Authority). I had difficulty finding contact information for anyone else. This is not a GRAMA request, but a request from the Office of the Utah State Auditor (Office) for the purpose of conducting audit work. Typically I would send this to an entity's CEO/Director.

The Office operates a hotline through which the Office receives citizen complaints. In order to process those complaints in an objective manner, it often becomes necessary for the Office to gather additional information.

We received a complaint regarding the Authority's awarding of a multi-million dollar contract through sole source procurement to Quaychain.

Will you please provide the following information:

1. The sole source procurement notice, along with a description of how the notice was published if it is not evident by the notice
2. The written determination justifying sole source procurement
3. A copy of the signed and executed current contract

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

Thank you,

--

Tyson Plastow, MBA, CIA, CRMA

Special Projects Audit Supervisor

801-234-0544

2 attachments



Procurement.pdf

202K



22962007 Quaychain.docx.pdf

160K

Tyson Plastow <tplastow@utah.gov>

Fri, Aug 26, 2022 at 9:15 AM

To: Jill Flygare <jflygare@utah.gov>

Cc: Taneesa Wright <taneesawright@utah.gov>, Lynne Mayer <lmayer@utah.gov>

Jill,

This was very helpful. Thank you.

Tyson

[Quoted text hidden]

[Quoted text hidden]

[Quoted text hidden]

Utah State Capitol Complex

East Office Building, Suite E310

PO Box 142310

Salt Lake City, Utah 84114

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Tyson Plastow <tplastow@utah.gov>

Mon, Aug 29, 2022 at 4:00 PM

To: Jill Flygare <jflygare@utah.gov>

Jill,

We will be issuing a letter to UIPA. We will be recommending you update Procurement Policy to require public notice and documented justifications for sole source procurements. These are best practice recommendations, not non-compliance findings.

Will you please provide me the email addresses of the board members and the executive director?

If you have any questions please give me a call.

Thanks,

Tyson

801-234-0544

[Quoted text hidden]

Jill Flygare <jflygare@utah.gov>

Mon, Aug 29, 2022 at 4:58 PM

To: Tyson Plastow <tplastow@utah.gov>

Thank you. We will get those addresses over to you shortly.

Jill

[Quoted text hidden]



Tyson Plastow <tplastow@utah.gov>

News Release - Office of the State Auditor Releases a Review of Certain Utah Inland Port Authority Procurement Practices

3 messages

State Auditor News <stateauditornews@utah.gov>

Thu, Sep 29, 2022 at 8:52 AM

To: Nicole Toomey Davis <ndavis@utah.gov>, StateAuditornews SA <stateauditornews@utah.gov>

Bcc: tplastow@utah.gov

The body text of the email is the same as the news release attachment. If you have questions or would like to schedule an interview with State Auditor John Dougall, **please email ndavis@utah.gov or text 801-678-4835**. Phone calls may be delayed. Please include your best email address and best phone number as well as any deadlines so that we can work to accommodate your schedule. Please specify in your request if you prefer a phone or in-person interview or a video call.

--

News Release

For Immediate Release

Sept 29, 2022

Office of the State Auditor Releases a Review of Certain Utah Inland Port Authority Procurement Practices

Salt Lake City, UTAH –

The Office of the State Auditor (Office) today announces the release of a Review of certain Utah Inland Port Authority procurement practices. The Office received a complaint, through its hotline program alleging the Utah Inland Port Authority (Authority) improperly procured a contract for a communications and logistics management network worth \$2 million.

The Office reviewed applicable statutes and the Authority's purchasing policy (Policy). The Office noted a key weakness in that Policy, specifically that the Authority's Sole Source procurement policy lacks adequate transparency and accountability.

State Auditor John Dougall said, "Procurement policies are intended to provide a good value for taxpayers. Although state statute permits sole source procurement, these procurements can still be designed to improve accountability and prevent abuse. Increasing transparency, such as providing notice prior to granting a sole source contract, allows possible suppliers to step forward when they believe they have a possible product or service of which a governmental entity might be unaware. Because of the prominence of the Utah Inland Port Authority, it should strive for the best and strongest procurement policies possible."

The news release and related information may be found on the Office's website at auditor.utah.gov.

The Review may be found directly at:

<https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K000006oVUCQA2>.

About the Office of the State Auditor

The Office of the State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.

Specific activities of the Office include performing financial audits, conducting Federal funds compliance audits, providing local government oversight, conducting agency and program performance audits, performing fraud and compliance audits, and operating the State Auditor Hotline for citizens to report suspected financial issues or improprieties. These capabilities strengthen Utah State Government and help taxpayers have confidence in the integrity of Utah's government agencies.

The Office also provides interactive graphical tools to help taxpayers and policymakers gain greater insight into governmental financial activities.

The State Auditor is a Constitutional Officer of the State of Utah, elected directly by the state's citizens every four years. The role of the State Auditor is authorized in Article VII, Section 15 of the Utah Constitution. For more information, see auditor.utah.gov.

Contact:

Nicole Davis
Public Information Officer
Office of the State Auditor
801-678-4835
ndavis@utah.gov

--

Nicole Davis
Public Information Officer
Office of the Utah State Auditor
auditor.utah.gov
ndavis@utah.gov
801-678-4835 Direct
News: StateAuditorNews@utah.gov



News Release - Office of the State Auditor Releases Review of Certain Utah Inland Port Authority Procurement Practices.pdf
546K

Nicole Toomey Davis <ndavis@utah.gov>

Thu, Sep 29, 2022 at 8:57 AM

To: John Dougall <jdougall@utah.gov>, Julie Wrigley <jwrigley@utah.gov>, Tyson Plastow <tplastow@utah.gov>, Mandy Teerlink <mteerlink@utah.gov>, Brooke Russell <brookerussell@utah.gov>, Tauna MacPherson <Tmacpherson@utah.gov>

Release on Inland Port Authority is out and posted on the website. I am not expecting a lot of action on this because of OLAG's earlier review, but Tauna will you keep an eye open as you usually do.

Nicole

Nicole Davis
Public Information Officer
Office of the State Auditor
auditor.utah.gov
ndavis@utah.gov
801-678-4835 Direct
801-538-1025 Office
[Quoted text hidden]



News Release - Office of the State Auditor Releases Review of Certain Utah Inland Port Authority Procurement Practices.pdf
546K

Nicole Toomey Davis <ndavis@utah.gov>

Thu, Sep 29, 2022 at 4:59 PM

To: Julie Wrigley <jwrigley@utah.gov>, Tyson Plastow <tplastow@utah.gov>, John Dougall <jdougall@utah.gov>

How do we want to answer this question? In general I know we don't name specifics.

LMK

Nicole

Nicole Davis

----- Forwarded message -----

From: **Leia Larsen** <llarsen@sltrib.com>

Hey Nicole,

Can you confirm that the contract investigated for this complaint was with QuayChain?

[Quoted text hidden]

--



Leia Larsen

Water and land use reporter
The Salt Lake Tribune


C: 801.897.5710



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Details

Related

Time Code ⓘ	Case Number
UIPA23SP	001897
Date Received	Description
6/3/2022	The Inland Port Authority sole source procurement.
Project Name ⓘ	Screening Result
Inland Port Procurement	Accepted
Case Owner	SP Priority ⓘ
 Tyson Plastow	20
Assigned To (Non SP Staff) ⓘ	Type
	Special Project
Project Source ⓘ	
OSA/Internal	
Status	
Closed	

▼ Complainant Info

Complainant's Name ⓘ	Anonymity waived to Investigate
	<input type="checkbox"/>
Complainant Email	Okay to refer and disclose ⓘ
	<input type="checkbox"/>
Complainant Phone ⓘ	Okay to refer and remain anonymous
	<input type="checkbox"/>
Complainant Home Address	Does not request a response
	<input type="checkbox"/>
Where does the Complainant work	Requested Whistleblower Protection ⓘ
	<input type="checkbox"/>

▼ Complaint Description

Entity as Reported	
Entity Name	
Inland Port Authority	
Other Entity (2) ⓘ	
Complaint Type (Primary) ⓘ	
Fraud/Ethics;Compliance -Non-financial;Best Practice related	
Other (fill-in) Primary ⓘ	
Complaint Description per Complainant	

Complaint Description per Complainant

Evidence Doc

✓ Project Notes

Project Notes

LAN: H:\specproj\PROJECTS\2022 Projects\Inland Port\Salesforce

6-3-2022

Auditor Dougall emailed a link to a news article, <https://www.sltrib.com/news/environment/2022/06/03/why-did-utah-inland-port/> and asked Tyson Plastow to review and share Plastow's thoughts. (see **SL Trib Article 6-3-22 no graphics**)

The news article intones that the Authority inappropriately entered into a sole-source agreement with Quaychain Technologies Inc for the purpose of establishing a communications and logistics management network. This network could improve the management and monitoring of materials and transportation equipment operated in, stored in, and transported through the Authority's facilities.

Plastow emailed the following to Auditor Dougall 6-6-2022:

The Port Authority claims there was no other product like the supply chain AI on the market. The article contends that, essentially, this is AI-based Video Content Analytics. Which is a newer concept but based on my own brief and imperfect google search, does not appear to be an exclusive-to-the-Contractor concept. Here's a 2019 article by BriefCam.

exclusive-to-the-Contractor concept. Here's a 2019 article by BriefCam.

Challenges would certainly be present in processing the amount of data, but it does not appear unheard of.

The contract is a two-year contract, which may classify it as a trial contract under Procurement Code, which allows for looser purchasing requirements.

There is a risk the Authority will have to sole source future service contracts with the Contractor: The Contractor will use "proprietary hardware and software systems" which may mean high switching costs.

I think whenever future high switching costs are a risk, the most reasonable action is to conduct an RFP for the initial procurement. That way competition is ensured at some point. This is a \$2million contract and the cost of the RFP process should not be significant in comparison to the value of the contract and potential future sole source contracts.

The Authority will own the background IP but the Contractor will license the apps necessary to access it. The Contractor will retain its IP and any future developments based off its IP. Likely increasing switching costs.

There is a question raised in the article of whether logistics companies will have to pay the Contractor for a subscription. It appears, based on contract language, that the Contractor will be able to develop Apps that will access its proprietary hardware and software and will have the ability to profit from those apps. The apps will use the infrastructure the Authority funded. The contract appears to soft-commit the Authority to license those applications but doesn't specify any terms of those licenses. The Contractor has the authority to grant a license to Port Users on a subscription or membership agreement.

The Contractor owns the gathered data. The Authority will not be able to access data that identifies any individual.

nick

The Contractor owns the gathered data. The Authority will not be able to access data that identifies any individual.

RISK

Noncompliance with sole source procurement requirements (though the article doesn't make this allegation)
The Port Authority being locked into future sole source procurements

POSSIBLE NEXT STEPS

- Determine if the sole source procurement complied with Statute and Rule. In this case the Procurement Code and R33 both apply.
 - Sole source was properly noticed
 - Sole source justification appears reasonable
 - Efforts to determine if competitors exist appears reasonable
- Determine if the procurement falls under allowed trial procurement

6-23-2022

Subsequently, the State Auditor met with the Special Projects Team. [REDACTED]
[REDACTED] he would like to know if the Authority complied with sole-source procurement requirements.

8-24-2022

There is no contact information available for the executive team of the Authority. Plastow contacted the Authority's GRAMA officer by email with a records request.

with a records request.

8-26-2022

We received an email from Jill Flygare, Deputy Executive Director and Chief Operating Officer for the Authority (COO). We also received the Authority's procurement policy (see **Procurement**) and the contract with the vendor (see **22962007 Quaychain**). Based on this communication (see **State of Utah Mail - UIPA - Question regarding sole source**) we note the following:

1. As an Independent State Agency the Authority is NOT subject to the Utah Procurement Code. See Utah Code 63E-2-109
2. The Authority has established its own policy.
3. The Authority has a procurement policy, which according to the COO states (see also **Procurement, 4/6**):
 - a. "i. Sole Source Procurement may arise when UIPA requires a Supply or Service of a unique or specialized nature, and only one known supplier is reasonably available to meet the need; or when specific parts, accessories, equipment, material, Services, proprietary items or other items are necessary to meet UIPA's needs and there are no comparable items reasonably available; or items are procured for resale."
 - b. "ii. UIPA may utilize sole source procurement in lieu of the formal procurement requirements set forth in this Policy when the Purchasing Agent determines that its use is appropriate."
4. The COO stated that to the Authority's knowledge, there was no other product/service like they were attempting to procure.
5. The Authority was trying to develop a 5G communications network to track the movement of goods through the state and beyond
6. To the Authority's knowledge, this product is the first of its kind in the United States
7. The COO stated the Executive Director and team reached out to 5 to 7 entities and individuals to discuss their ideas and proposals.
8. The COO claims that there were multiple interviews and submitted proposals with multiple entities.
9. COO stated that the Executive Director determined Quaychain was the only qualified vendor.

The COO uses qualifying language in her response. Specifically, "To the Authority's knowledge", "... in the United States", "... entities and individuals". The COO does not clarify who the entities and individuals were. It is possible the people the Authority contacted were not potential vendors. The COO claims there were also multiple proposals. We consider it likely that these proposals were gathered as part of a

individuals. The COO does not clarify who the entities and individuals were. It is possible the people the Authority contacted were not potential vendors. The COO claims there were also multiple proposals. We consider it likely that these proposals were gathered as part of a information gathering process, especially since what the Authority wanted was a newer product. We note that the Authority's Procurement Policy does not have a formal request for information process (RFI). As described in the Utah Procurement Code, a RFI is a nonbinding process through which a procurement unit requests information relating to a procurement item. We will issue a verbal recommendation the Authority consider including a RFI process in its policy.

We reviewed Utah Code 11-58 "Utah Inland Port Authority Act" in addition to 63E-2-109 and determined that the Authority is not subject to the Utah Procurement Code.

Based on the explanation provided by the COO, it appears the Authority complied with its sole source procurement requirements. However, we question why the Authority's policy does not require public notice of an intent to sole source. We note policy requires public notice when using either an invitation for bids or a request for proposal process. Utah Procurement Code requires public notice and a written justification for engaging in a sole source procurement, see Utah Code 63G-6a-802-(3).

Public notice of an intent for sole source reduces the risk of excessive pricing or limited competition because other potential vendors would have an opportunity to protest the procurement before it is complete. This increased transparency and accountability could result in increased competition and subsequently increased efficiencies and economies. We will recommend that the Authority update its policy to require a notice of intent to make a sole source procurement. We will also recommend the policy include a requirement to document the justification to make a sole source procurement.

While reading the Authority's purchasing policy we noted certain aspects that could be improved, such as documentation requirements. However it is beyond the scope of this project to analyze all of the Authority's procurement policy. If future work is performed with the Authority, we recommend an analysis of the procurement policy be included. For now, we will recommend the Authority consider reviewing the rest of its procurement policy and to implement best practices for transparency, accountability, and increased competition in government procurement.

the rest of its procurement policy and to implement best practices for transparency, accountability, and increased competition in government procurement.

See the **Inland Port Draft Letter** on the LAN in the "Report" sub-folder.

8-30-2022

We received the contact information for the Authority's Board and Director.

Ben Hart, board - blh@utah.gov

Miles Hansen, Chair - mhansen@wtcutah.com

Dan Hemmert, board - danhemmert@utah.gov

Mike Schultz, board - mikeschultz@le.utah.gov

Jerry Stevenson, board - jwstevenson@le.utah.gov

Victoria Petro-Eschler, non-voting board member - Victoria.Petro-Eschler@slcgov.com

Jill Flyagre, COO - jflyagre@utah.gov

We discussed our approach with Auditor Dougall and he was satisfied with a letter to the Authority.

9-29-2022

Final letter (**Inland Port Letter** in "Report" subfolder), with a response from the Authority, has been published and placed on our website.

While our Draft Letter was out and we waited for a response from the Authority, the Office of Legislative Auditor General released a report that included a review of the Authority's procurement. We reviewed that report and decided not to mention it in our Final Letter. The OLAG Report is saved on the Salesforce file on the LAN, see **OLAG Review of the Inland Port Authority**.

✓ Disposition and Review

▼ Disposition and Review

Results ⓘ

Letter/Report Issued

Results - Other ⓘ

Review Notes

See CSA

☐

Reviewed By ⓘ

JMW

Date Reviewed ⓘ

9/8/2022

End Date ⓘ

9/15/2022

▼ Web Information

Date/Time Opened

6/23/2022 3:04 PM

Email

Name

Date/Time Closed

10/6/2022 10:49 AM

Company

Phone

▼ Unused Fields

Complainant ⓘ

Joe Citizen

Name

Phone

▼ Unused Fields

Complainant ⓘ

Joe Citizen

Contact Name

Subject

▼ System Information

Created By

 Tyson Plastow, 6/23/2022 3:04 PM

Last Modified By

 Tyson Plastow, 10/6/2022 11:53 AM



Tyson Plastow <tplastow@utah.gov>

Question Regarding Sole Source Procurement

3 messages

Tyson Plastow <tplastow@utah.gov>

Wed, Aug 24, 2022 at 10:47 AM

To: taneesawright@utah.gov

Taneesa,

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We received a complaint regarding the Authority's awarding of a multi-million dollar contract through sole source procurement to Quaychain.

Will you please provide the following information:

1. The sole source procurement notice, along with a description of how the notice was published if it is not evident by the notice
2. The written determination justifying sole source procurement
3. A copy of the signed and executed current contract

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

Thank you,

--

Tyson Plastow, MBA, CIA, CRMA
Special Projects Audit Supervisor
801-234-0544

Office of the Utah State Auditor
Utah State Capitol Complex
East Office Building, Suite E310
PO Box 142310
Salt Lake City, Utah 84114

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Taneesa Wright <taneesawright@utah.gov>

Thu, Aug 25, 2022 at 9:11 AM

To: Tyson Plastow <tplastow@utah.gov>

Hey Tyson,

I have sent this over to our COO, Jill Flygare and she is working on this. We will get back to you shortly.

Best,

[Quoted text hidden]

--

Taneesa Wright

Operations Manager

o: 801.538.8950

m: 801.577.7250

taneesawright@utah.gov

inlandportauthority.utah.gov



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Tyson Plastow <tplastow@utah.gov>

Thu, Aug 25, 2022 at 9:34 AM

To: Taneesa Wright <taneesawright@utah.gov>

Thank you

[Quoted text hidden]



Tyson Plastow <tplastow@utah.gov>

Utah Inland Port Authority

5 messages

Mandy Teerlink <mteerlink@utah.gov>

Tue, Sep 13, 2022 at 1:22 PM

To: Ben Hart <blh@utah.gov>, mhansen@wtcutah.com, Dan Hemmert <danhemmert@utah.gov>, mikeschultz@le.utah.gov, jwstevenson@le.utah.gov, Victoria.Petro-Eschler@slcgov.com, Jill Flygare <jflygare@utah.gov>
Cc: Tyson Plastow <tplastow@utah.gov>, Julie Wrigley <jwrigley@utah.gov>

The Office of the State Auditor has completed its review of the Utah Inland Port Authority. Attached is a draft of our management letter with the findings as we expect them to appear in their final form. We strongly encourage management to provide an official response to the findings and recommendations. This letter and your response will become a public document when finalized. Please follow the steps below:

1. **Reply** to this email verifying receipt of the attached draft letter.
2. **Forward** the letter to other members of the governing body and appropriate personnel.
3. Before writing your response, **contact us ASAP if you disagree** with findings or have questions.
4. **Provide written response** to each finding on official letterhead, signed by the head of the governing body (ie: council/board chair). A typical response includes information that communicates to us and your constituents how the problems have been, or will be, resolved.
5. **Email PDF of your response to us no later than September 27, 2022.** Contact us immediately if you cannot meet this deadline. If we do not receive a response and have not approved a time extension, the letter will be finalized and made public without an official response on the date above.
6. The attached management letter is in DRAFT form and is not currently public information. Therefore, in accordance with *Utah Code* 67-3-1(17), **limit the distribution of the DRAFT** to appropriate officers and personnel until the final management letter is issued.

If you have any questions regarding this report or your response to the findings, you may direct them to:

Julie Wrigley at 801-538-1340 or jwrigley@utah.gov

Tyson Plastow at 801-234-0544 or tplastow@utah.gov



Mandy Teerlink | Technical Writer/Editor

Office of the State Auditor | auditor.utah.gov

tel: 801-538-1363 | email: mteerlink@utah.gov



Inland Port Draft Letter.pdf

1064K

Jill Flygare <jflygare@utah.gov>

Tue, Sep 13, 2022 at 1:50 PM

To: Mandy Teerlink <mteerlink@utah.gov>
Cc: Ben Hart <blh@utah.gov>, mhansen@wcutah.com, Dan Hemmert <danhemmert@utah.gov>, mikeschultz@le.utah.gov, jwstevenson@le.utah.gov, Victoria.Petro-Eschler@slcgov.com, Tyson Plastow <tplastow@utah.gov>, Julie Wrigley <jwrigley@utah.gov>

Received and thank you. We will provide your office with a response promptly.

Jill

[Quoted text hidden]

--

Jill Flygare

Deputy Executive Director, Chief Operating Officer

o: 801.538.8950

m: 801.577.7253

jflygare@utah.gov

inlandportauthority.utah.gov/



Tyson Plastow <tplastow@utah.gov>

Wed, Sep 28, 2022 at 12:18 PM

To: Jill Flygare <jflygare@utah.gov>

Cc: Mandy Teerlink <mteerlink@utah.gov>, Ben Hart <blh@utah.gov>, mhansen@wcutah.com, Dan Hemmert <danhemmert@utah.gov>, mikeschultz@le.utah.gov, jwstevenson@le.utah.gov, Victoria.Petro-Eschler@slcgov.com, Julie Wrigley <jwrigley@utah.gov>

The Utah Inland Port Authority's response to our draft audit was due yesterday. Is the Authority planning on responding?

Tyson

801-234-0544

[Quoted text hidden]

--

Tyson Plastow, MBA, CIA, CRMA

Special Projects Audit Supervisor

801-234-0544

Office of the Utah State Auditor

Utah State Capitol Complex

East Office Building, Suite E310

PO Box 142310

Salt Lake City, Utah 84114

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Jill Flygare <jflygare@utah.gov>

Wed, Sep 28, 2022 at 3:20 PM

To: Tyson Plastow <tplastow@utah.gov>

Cc: Mandy Teerlink <mteerlink@utah.gov>, Ben Hart <blh@utah.gov>, mhansen@wcutah.com, Dan Hemmert <danhemmert@utah.gov>, mikeschultz@le.utah.gov, jwstevenson@le.utah.gov, Victoria.Petro-Eschler@slcgov.com, Julie Wrigley <jwrigley@utah.gov>

Tyson,

Thank you for the reminder. Here is the response from UIPA.

Jill

[Quoted text hidden]



Procurement Response 09152022 (2).docx

87K

Tyson Plastow <tplastow@utah.gov>

Wed, Sep 28, 2022 at 3:58 PM

To: John Dougall <jdougall@utah.gov>

Inland Port sent their response. I see no issues with it. We are okay to publish and release whenever you like.

Tyson

[Quoted text hidden]



Procurement Response 09152022 (2).docx

87K



Tyson Plastow <tplastow@utah.gov>

**AUDIT NUMBER 2022-07 A LIMITED REVIEW OF THE UTAH INLAND PORT
AUTHORITY - Fwd: Upcoming Legislative Audit Subcommittee Meeting**

8 messages

Nicole Toomey Davis <ndavis@utah.gov>

Thu, Sep 15, 2022 at 7:11 PM

To: Tyson Plastow <tplastow@utah.gov>, Julie Wrigley <jwrigley@utah.gov>

Cc: John Dougall <jdougall@utah.gov>

Not sure if you have been coordinating with OLAG, but this came today. Agenda is attached. Do you want me to get a copy of this report before it is presented on Tuesday?

LMK
Nicole

Nicole Davis
Public Information Officer
Office of the State Auditor
auditor.utah.gov
ndavis@utah.gov
801-678-4835 Direct
801-538-1025 Office

----- Forwarded message -----

From: **Debbie Clawson** <dclawson@le.utah.gov>

Date: Thu, Sep 15, 2022 at 4:34 PM

Subject: Upcoming Legislative Audit Subcommittee Meeting

To: Lisa Riley Roche <lisa@deseretnews.com>, Bryan Schott <bschott@sltrib.com>, news@ksl.com
<news@ksl.com>, newsdesk@kutv2.com <newsdesk@kutv2.com>, Tim Vandenack <tvandenack@standard.net>,
news@abc4.com <news@abc4.com>, timaalders@live.com <timaalders@live.com>, support@apnews.com
<support@apnews.com>, Nicole Toomey Davis <ndavis@utah.gov>, Ryan Painter <rpainter@sbgvtv.com>, Winslow,
Ben <ben.winslow@fox13now.com>, Cindy St. Clair <cst.clair@ksl.com>
Cc: Darin Underwood <dunderwood@le.utah.gov>, Kade Minchey <kminchey@le.utah.gov>

The Legislative Audit Subcommittee will be meeting this Tuesday, September 20, at 3:30 p.m. Below are media releases regarding the three audits that will be released and discussed. Attached is the agenda for the meeting.

If you have any questions or would like an embargo copy 24 hours before the meeting, please feel free to contact me by email at dclawson@le.utah.gov. **All embargo copies are protected and not to be shared with anyone until they are released at the committee meeting on September 20, 2022.**

AUDIT NUMBER 2022-07

A LIMITED REVIEW OF THE UTAH INLAND PORT AUTHORITY

Media Release:

For this limited review, we were asked to focus on three main areas for UIPA: 1) organizational structure; 2) contracts and use of consultants; and 3) its process for issuing a \$150 million bond. We were asked to provide answers to these questions and initial direction on potential risk areas as quickly as possible. To these areas we also found that continued audit work to determine an appropriate reporting model for the port would be beneficial.

AUDIT NUMBER 2022-09

AN IN-DEPTH BUDGET REVIEW OF THE UTAH INSURANCE DEPARTMENT

Media Release:

The Legislative Audit Subcommittee selected the Utah Insurance Department (UID) to be audited as part of an annual in-depth budget review. Through our risk assessment, we identified issues in two divisions within UID: the Captive Insurance Division and Insurance Fraud Division.

AUDIT NUMBER 2022-10

A PERFORMANCE AUDIT OF TAX INCREMENT FINANCING

Media Release:

This audit examines the administration and overall success of tax increment financing project areas in the state of Utah. It provides recommendations to enhance transparency, accountability, and oversight of these project areas.

Best,

**Debbie
Clawson**

Executive Assitant
Utah State
Legislature



Phone 801-326-1757
Mobile 801-913-3121



dclawson@le.utah.gov



W315 State Capitol
Complex

Salt Lake City, UT 84114

olag.utah.gov



Agenda 9.20.22.pdf
109K

Tyson Plastow <tplastow@utah.gov>

Fri, Sep 16, 2022 at 9:12 AM

To: Nicole Toomey Davis <ndavis@utah.gov>

Cc: Julie Wrigley <jwrigley@utah.gov>, John Dougall <jdougall@utah.gov>

We haven't coordinated with OLAG. Looks like our scopes differed but there may be some crossover.
Yes, I would like a copy of the report.

Tyson

[Quoted text hidden]

--

Tyson Plastow, MBA, CIA, CRMA
Special Projects Audit Supervisor
801-234-0544

Office of the Utah State Auditor
Utah State Capitol Complex
East Office Building, Suite E310
PO Box 142310

Salt Lake City, Utah 84114

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Julie Wrigley <jwrigley@utah.gov>

Fri, Sep 16, 2022 at 9:24 AM

To: Tyson Plastow <tplastow@utah.gov>

Cc: Nicole Toomey Davis <ndavis@utah.gov>, John Dougall <jdougall@utah.gov>

Agree with Tyson.

[Quoted text hidden]

Nicole Toomey Davis <ndavis@utah.gov>

Fri, Sep 16, 2022 at 12:34 PM

To: Julie Wrigley <jwrigley@utah.gov>

Cc: Tyson Plastow <tplastow@utah.gov>, John Dougall <jdougall@utah.gov>

Okay I will reach out to them right away and see if I can get it.

thx

Nicole

Nicole Davis
Public Information Officer
Office of the State Auditor
auditor.utah.gov
ndavis@utah.gov
801-678-4835 Direct
801-538-1025 Office

[Quoted text hidden]

Nicole Toomey Davis <ndavis@utah.gov>

Fri, Sep 16, 2022 at 5:48 PM

To: Julie Wrigley <jwrigley@utah.gov>

Cc: Tyson Plastow <tplastow@utah.gov>

FYI, I did email Olag but didn't hear back. I assume we'll have it Monday.

Nicole

Nicole Davis
Public Information Officer
Office of the State Auditor
auditor.utah.gov
ndavis@utah.gov
801-678-4835 Direct
801-538-1025 Office

On Fri, Sep 16, 2022 at 9:24 AM Julie Wrigley <jwrigley@utah.gov> wrote:

[Quoted text hidden]

Nicole Toomey Davis <ndavis@utah.gov>

Mon, Sep 19, 2022 at 2:42 PM

To: Julie Wrigley <jwrigley@utah.gov>

Cc: Tyson Plastow <tplastow@utah.gov>, John Dougall <jdougall@utah.gov>

FYI we are playing phone tag. OLAG called me, I called back etc. So still working to get it.

[Quoted text hidden]

John Dougall <jdougall@utah.gov>

Mon, Sep 19, 2022 at 2:55 PM

To: Nicole Toomey Davis <ndavis@utah.gov>, Julie Wrigley <jwrigley@utah.gov>

Cc: Tyson Plastow <tplastow@utah.gov>

They will only hand out embargoed paper copies today/tomorrow before the hearing/public release.

[Quoted text hidden]

Nicole Toomey Davis <ndavis@utah.gov>

Mon, Sep 19, 2022 at 6:37 PM

To: John Dougall <jdougall@utah.gov>

Cc: Julie Wrigley <jwrigley@utah.gov>, Tyson Plastow <tplastow@utah.gov>

I talked to Brian Dean of OLAG and if they can't figure out how to send it to us early then he will send me the link when it goes public at 4 tomorrow.

He said they did look at how many of the contracts were sole source.

Nicole

[Quoted text hidden]

5 attachments



image001.png
10K



image002.png
2K



image003.png
15K



image004.png
11K



image003.png
15K



Tyson Plastow <tplastow@utah.gov>

Re: Any plans for the inland port letter?

3 messages

Julie Wrigley <jwrigley@utah.gov>

Tue, Sep 27, 2022 at 9:48 AM

To: Nicole Toomey Davis <ndavis@utah.gov>, Tyson Plastow <tplastow@utah.gov>

Tyson and I are in favor of adding something similar to a concluding comment to make a reference to OLAG's report. We'll run it by John when we have a chance. We haven't received responses yet.

On Tue, Sep 27, 2022 at 8:43 AM Nicole Toomey Davis <ndavis@utah.gov> wrote:

| Just checking

--

Julie Wrigley
Audit Manager

desk: 801-538-1340
cell: 801-808-0194

Office of the State Auditor
State Capitol Complex
East Office Building, E310
Salt Lake City, Utah 84114

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Nicole Toomey Davis <ndavis@utah.gov>

Tue, Sep 27, 2022 at 1:16 PM

To: Julie Wrigley <jwrigley@utah.gov>

Cc: Tyson Plastow <tplastow@utah.gov>

Ok keep me posted

[Quoted text hidden]

Tyson Plastow <tplastow@utah.gov>

Wed, Sep 28, 2022 at 4:13 PM

To: Nicole Toomey Davis <ndavis@utah.gov>

Cc: Julie Wrigley <jwrigley@utah.gov>

Nicole,

We received the response from Inland Port. Mandy is putting the final report together now and will put it up on the website and send it to the port authority.

John said we can do a press release tomorrow or if that doesn't work, wait until Monday

Sent from my iPhone

On Sep 27, 2022, at 1:16 PM, Nicole Toomey Davis <ndavis@utah.gov> wrote:

[Quoted text hidden]

**Tyson Plastow** <tplastow@utah.gov>

Inland Port Letter Link

2 messages

Mandy Teerlink <mteerlink@utah.gov>

Wed, Sep 28, 2022 at 4:25 PM

To: Nicole Davis <ndavis@utah.gov>, Tyson Plastow <tplastow@utah.gov>

Here is the link for the Inland Port Authority Letter.

<https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K000006oVUCQA2>

**Mandy Teerlink** | Technical Writer/EditorOffice of the State Auditor | auditor.utah.govtel: 801-538-1363 | email: mteerlink@utah.gov

Nicole Toomey Davis <ndavis@utah.gov>

Wed, Sep 28, 2022 at 5:25 PM

To: Mandy Teerlink <mteerlink@utah.gov>

Cc: Tyson Plastow <tplastow@utah.gov>

Thanks

I had sent John a draft 2 weeks ago but don't yet have feedback from him. I will let you know if it doing out th or mon

[Quoted text hidden]



Tyson Plastow <tplastow@utah.gov>

News Release - Office of the State Auditor Releases a Review of Certain Utah Inland Port Authority Procurement Practices

3 messages

State Auditor News <stateauditornews@utah.gov>

Thu, Sep 29, 2022 at 8:52 AM

To: Nicole Toomey Davis <ndavis@utah.gov>, StateAuditornews SA <stateauditornews@utah.gov>

Bcc: tplastow@utah.gov

The body text of the email is the same as the news release attachment. If you have questions or would like to schedule an interview with State Auditor John Dougall, **please email ndavis@utah.gov or text 801-678-4835**. Phone calls may be delayed. Please include your best email address and best phone number as well as any deadlines so that we can work to accommodate your schedule. Please specify in your request if you prefer a phone or in-person interview or a video call.

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News Release

For Immediate Release

Sept 29, 2022

Office of the State Auditor Releases a Review of Certain Utah Inland Port Authority Procurement Practices

Salt Lake City, UTAH –

The Office of the State Auditor (Office) today announces the release of a Review of certain Utah Inland Port Authority procurement practices. The Office received a complaint, through its hotline program alleging the Utah Inland Port Authority (Authority) improperly procured a contract for a communications and logistics management network worth \$2 million.

The Office reviewed applicable statutes and the Authority's purchasing policy (Policy). The Office noted a key weakness in that Policy, specifically that the Authority's Sole Source procurement policy lacks adequate transparency and accountability.

State Auditor John Dougall said, "Procurement policies are intended to provide a good value for taxpayers. Although state statute permits sole source procurement, these procurements can still be designed to improve accountability and prevent abuse. Increasing transparency, such as providing notice prior to granting a sole source contract, allows possible suppliers to step forward when they believe they have a possible product or service of which a governmental entity might be unaware. Because of the prominence of the Utah Inland Port Authority, it should strive for the best and strongest procurement policies possible."

The news release and related information may be found on the Office's website at auditor.utah.gov.

The Review may be found directly at:

<https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K000006oVUCQA2>.

About the Office of the State Auditor

The Office of the State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.

Specific activities of the Office include performing financial audits, conducting Federal funds compliance audits, providing local government oversight, conducting agency and program performance audits, performing fraud and compliance audits, and operating the State Auditor Hotline for citizens to report suspected financial issues or improprieties. These capabilities strengthen Utah State Government and help taxpayers have confidence in the integrity of Utah's government agencies.

The Office also provides interactive graphical tools to help taxpayers and policymakers gain greater insight into governmental financial activities.

The State Auditor is a Constitutional Officer of the State of Utah, elected directly by the state's citizens every four years. The role of the State Auditor is authorized in Article VII, Section 15 of the Utah Constitution. For more information, see auditor.utah.gov.

Contact:

Nicole Davis
Public Information Officer
Office of the State Auditor
801-678-4835
ndavis@utah.gov

--

Nicole Davis
Public Information Officer
Office of the Utah State Auditor
auditor.utah.gov
ndavis@utah.gov
801-678-4835 Direct
News: StateAuditorNews@utah.gov



News Release - Office of the State Auditor Releases Review of Certain Utah Inland Port Authority Procurement Practices.pdf
546K

Nicole Toomey Davis <ndavis@utah.gov>

Thu, Sep 29, 2022 at 8:57 AM

To: John Dougall <jdougall@utah.gov>, Julie Wrigley <jwrigley@utah.gov>, Tyson Plastow <tplastow@utah.gov>, Mandy Teerlink <mteerlink@utah.gov>, Brooke Russell <brookerussell@utah.gov>, Tauna MacPherson <Tmacpherson@utah.gov>

Release on Inland Port Authority is out and posted on the website. I am not expecting a lot of action on this because of OLAG's earlier review, but Tauna will you keep an eye open as you usually do.

Nicole

Nicole Davis
Public Information Officer
Office of the State Auditor
auditor.utah.gov
ndavis@utah.gov
801-678-4835 Direct
801-538-1025 Office
[Quoted text hidden]



News Release - Office of the State Auditor Releases Review of Certain Utah Inland Port Authority Procurement Practices.pdf
546K

Nicole Toomey Davis <ndavis@utah.gov>

Thu, Sep 29, 2022 at 4:59 PM

To: Julie Wrigley <jwrigley@utah.gov>, Tyson Plastow <tplastow@utah.gov>, John Dougall <jdougall@utah.gov>

How do we want to answer this question? In general I know we don't name specifics.

LMK

Nicole

Nicole Davis

----- Forwarded message -----

From: **Leia Larsen** <llarsen@sltrib.com>

Hey Nicole,

Can you confirm that the contract investigated for this complaint was with QuayChain?

[Quoted text hidden]

--



Leia Larsen

Water and land use reporter
The Salt Lake Tribune

C: 801.897.5710



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