



OFFICE OF THE  
**STATE AUDITOR**

Case # UIPA23SP

September 28, 2022

Miles Hansen, Chair  
Utah Inland Port Authority Board of Directors  
111 S Main St #550,  
Salt Lake City, UT 84111

Dear Governing Body:

The Office of the State Auditor (Office) offers a hotline program through which we receive complaints with financial or compliance implications related to state or local governments. The Office received a complaint alleging the Utah Inland Port Authority (Authority) improperly procured a contract worth \$2 million.

We reviewed certain documents related to the Authority's 2021 sole source procurement of a communications and logistics management network. We have reviewed applicable statutes and the Authority's purchasing policy (Policy). The Authority is not subject to the Utah Procurement Code<sup>1</sup> and has established its own Policy. We noted the following weakness in that Policy.

**1. Sole Source Procurement Policy Lacks Transparency and Accountability Requirements**

Best practices in public sector procurement encourage competition, and require transparency and accountability in every procurement process. Leading public sector policies allow for sole source procurements with a properly documented justification and additional noticed intent to pursue sole source. Without these measures to ensure transparency and accountability, sole source procurements represent a significant risk for abuse.

The required notice allows competitors to inform the Authority that they believe they can provide the goods or services to be acquired.

The Authority's Policy lacks:

- *Documentation of a sole source procurement justification* (accountability)
- *Public notification of sole source procurement, including its justification* (transparency)

The Authority would benefit from adding these requirements to its Policy to ensure competition is encouraged, and procurement processes are reasonably transparent (publicly noticed) and accountable (documented).

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<sup>1</sup> According to Utah Code §63E-2-109, the Authority is not subject to Utah Code §63G-6a.

**We recommend the Utah Inland Port Authority Board Update its procurement policy to require public notice and written justifications for sole source procurements.**

Our procedures were limited to matters related to the complaint. Had we performed additional procedures, other matters may have come to our attention that would have been reported to you. We appreciate the courtesy and assistance extended to us by Authority personnel during our review. We look forward to a continuing professional relationship. If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Tyson Plastow", written in a cursive style.

Tyson Plastow  
Special Projects Supervisor  
801-234-0544  
tplastow@utah.gov



# UTAH INLAND PORT AUTHORITY

September 15, 2022

Tyson Plastow  
Special Projects Supervisor  
Utah State Auditor's Office  
E310 Utah State Capitol  
Salt Lake City, Utah 84114

Dear Mr. Plastow,

The Utah Inland Port Authority (UIPA) received the letter and recommendation from the State Auditor's Office in reference to UIPA's sole source procurement policy. We appreciate the review and recommendation made by your office.

**Recommend the Utah Inland Port Authority board update its procurement policy to require public notice and written justifications for sole source procurements.**

Under the direction of the board, UIPA management is reviewing and updating the procurement policy. This review will be complete by November 2022 with recommendations on updates to the current policy to be presented to the board for consideration and adoption at the next available board meeting.

Additionally, the newly appointed executive director has elevated the compliance director, Amy Brown Coffin, to Chief Compliance Officer. In this capacity, Ms. Coffin will be responsible for ensuring that UIPA achieves best practices in all matters of transparency, accountability, financial oversight, and internal controls.

We are a learning and growing organization; we are very appreciative of any suggestions for improvement and look forward to implementing the recommendation made here in an expeditious manner.

Sincerely,

A handwritten signature in black ink, appearing to read 'Miles Hansen', is written over a horizontal line.

Miles Hansen  
UIPA Board Chair