



# Utah State Legislature

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**Senate** • Utah State Capitol Complex • 320 State Capitol  
PO Box 145115 • Salt Lake City, Utah 84114-5115  
(801) 538-1035 • fax (801) 538-1414

**House of Representatives** • Utah State Capitol Complex • 350 State Capitol  
PO Box 145030 • Salt Lake City, Utah 84114-5030  
(801) 538-1029 • fax (801) 538-1908

## MEMORANDUM

**TO:** Senator Hinkins, Senate Co-Chair  
Representative Stratton, House Co-Chair  
Commission for the Stewardship of Public Lands

**FROM:** Steven Allred, Office of the Legislative Fiscal Analyst

**DATE:** September 21, 2016

**SUBJECT:** Travel Invoice Review

You asked me to review travel invoices submitted by Commission for the Stewardship of Public Lands legal and public relations contractors under agreements signed in July of 2015. Specifically, you asked me to answer three questions:

1. What would comparable costs be for similar travel by state employees following general state policies?
2. What charges did the providers invoice that exceeded contractual terms?
3. What charges did the providers not invoice that would have been allowed by contract?

This memo answers the three questions separately for the two providers, Davillier Law Group and Strata.

### Davillier Law Group

#### **What would comparable costs be for similar travel by state employees following general state policies?**

I found evidence of seventeen individual trips by Davillier or its subcontractors. For all seventeen trips combined, I found that Davillier's total invoices were approximately \$1,600 less than a state employee doing similar travel under general state policies could have cost. This comparison assumed Division of Finance or GSA lodging rates. The most significant reasons for the difference are:

- Davillier did not invoice for three of the four initial trips, an avoidance of \$1,800;

- Aside from the four initial trips, Davillier did not invoice for lodging for four trips and part of a fifth, invoiced for lower than allowed meal costs, but invoiced for higher than allowed airfare, all of which summed to approximately \$200.

### **What charges did the providers invoice that exceeded contractual terms?**

The contract is more restrictive than the state’s travel policies in some areas. In total the providers submitted invoices for \$5,551.45 for charges that exceeded contract terms.

Specifically:

- \$2,441.11 for all costs of the first trip to Salt Lake City. This trip included a stay at the Grand America hotel. The providers didn’t charge for the other three initial trips.
- \$2,307.96 for the difference between first class and coach airfare for seven trips.
- \$56.30 for lodging in downtown Salt Lake City that may have exceeded “standard size and type hotel rooms” which we determined, based on prevailing rates, to be anything above \$140 per night plus tax.
- \$21.00 for alcohol.
- \$725.08 for a duplicate submission of a lodging invoice.

These figures are based strictly on disallowing costs that are not permitted by contract. It does not give credit for charges that the contract would have allowed but were not invoiced.

### **What charges did the providers not invoice that would have been allowed by contract?**

Potential charges that the providers did not invoice, but could have under the contract’s terms, sum to approximately \$3,100. The most significant items not invoiced were:

- Lodging for four trips and part of a fifth (\$1,500);
- Meals for five trips and portions of others (\$500); and
- Ground transportation for 13 trips (\$1,000).

### Strata

### **What would comparable costs be for similar travel by state employees following general state policies?**

I found evidence of fourteen individual trips by Strata (not counting five occasions of only vehicle reimbursement of less than \$100 each). For all fourteen trips combined, Strata’s total invoices were approximately \$2,300 less than a state employee doing similar travel under general state policies could have cost. This comparison assumed Division of Finance or GSA lodging rates. The most significant reasons for the difference are:

- Strata did not invoice any charges for a trip to Washington, DC except for \$92 for Uber rides, an avoidance of \$1,400;
- Aside from the Washington, DC trip, Strata undercharged for transportation, including two trips with no invoices for trips to/from the destination, avoiding \$900. Other differences were minor.

**What charges did the providers invoice that exceeded contractual terms?**

One occasion of travel included lodging costs that may have exceeded “standard size and type hotel rooms” which we determined, based on prevailing rates, to be anything above \$140 per night plus tax. The total excess is \$83.89. However, another traveler to the same area at the same time did not submit a lodging invoice and may have shared lodging. I have questioned three other expenses that sum to approximately \$273. These items include gasoline at \$158, meals at \$65, and internet access at \$50. Strata is in process of gathering information. If no response is forthcoming I recommend deducting the above amounts from the payment of the next Strata invoice.

**What charges did the providers not invoice that would have been allowed by contract?**

Potential charges that the providers did not invoice, but could have under the contract’s terms, sum to approximately \$2,800. The most significant items not invoiced were:

- Lodging for three trips (\$900);
- Meals for four trips and portions of others (\$500); and
- Transportation to/from the destination for three trips (\$1,400).

**Summary**

State policy limits the use of first class travel and prohibits reimbursement for alcohol. Assuming those and all other state travel policy restrictions, both providers combined invoiced approximately \$3,900 less, before any disallowances, than a state agency could have cost for similar travel. The Commission’s contracts include further restrictions that are not in state policy. Assuming those tighter restrictions, I identified \$5,551.45 in travel charges from Davillier that were not permitted by contract, and \$357 from Strata for which I am awaiting further information. I determined these amounts by strictly disallowing expenses that were invoiced, but not permitted by contract. These amounts give no credit for travel charges that the contracts would have allowed, but were not submitted for reimbursement. Total combined potential travel charges that the providers did not invoice, but could have under the contracts’ terms, sum to approximately \$5,900.