



Greece Central School District

Procurement of Professional Services

2024M-129 | January 2025

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Report Highlights

Greece Central School District

Audit Objective

Determine whether the Greece Central School District (District) Board of Education (Board) and District officials sought competition for the procurement of professional services.

Key Findings

The Board and District officials did not always seek competition for professional services. As a result, officials cannot assure taxpayers that professional services were procured in the most economical way and without favoritism. Of the 51 professional service providers that were paid more than \$10,000, or a total of \$5.5 million between July 1, 2023 through June 30, 2024:

- Officials did not seek or provide documentation to support the competition process for 33 professional service providers that were paid \$2.4 million (65 percent).
- Officials consistently used the same attorneys since 2011, and an occupational and physical therapy provider since 2006 without seeking competition.
- Officials did not adhere to the District's written policies and procedures. For example, three medical service providers were paid \$346,995 without using the required Request For Proposals (RFP) process. Using RFPs increases awareness of other professional service providers who could offer similar services at a more favorable rate, could result in existing professional service providers providing more favorable terms, and helps assure taxpayers that procurements are made in their best interest.

Recommendations

The report includes three recommendations, which if implemented, will improve the District's procurement of professional services.

District officials agreed with our recommendations and indicated they will take corrective action.

Audit Period

July 1, 2023 – October 2, 2024

Background

The District's boundaries include the Town of Greece in Monroe County. The elected nine-member Board is responsible for managing and controlling the District's financial and educational affairs. The Superintendent of Schools (Superintendent) is the chief executive officer and is responsible for the District's day-to-day management under the Board's direction.

The Assistant Superintendent of Finance and Operations (Assistant Superintendent) oversees the District's business operations and is the District's purchasing agent.

The purchasing, planning and student services departments assist in selecting professional service providers.

Quick Facts

**Professional Service Providers
Paid More Than \$10,000
July 1, 2023 through June 30, 2024**

Professional Service Providers	51
Total Amount Paid	\$5.5 million

Procurement of Professional Services

How Should District Officials Procure Professional Services?

School district officials must procure professional services in a manner that ensures the prudent and economical use of public funds in the taxpayers' best interest. Officials must comply with New York State General Municipal Law Section 104-b which requires school districts to adopt written policies and procedures governing the purchase of goods and services not subject to competitive bidding requirements, such as professional services. Basic economic theory provides that when officials compete for services, there can be many advantages including lower prices, higher quality and increased variety.

In general, a school district's procurement policy should require competition for professional services be secured through written RFPs (used to solicit proposals from qualified providers), written or verbal quotes or any other appropriate method of competitive procurement. The policy should also provide guidance on the process, including how often officials should seek competition, how proposals will be evaluated and what documentation to maintain. When evaluating RFPs, or other competition for professional services, officials can consider factors such as experience, staffing, the suitability of needs and price.

In addition, officials should follow the District's written policies and procedures that require RFPs for medical services contracts over \$50,000 and architect and engineer services over \$10,000.

Officials Did Not Seek Competition for Most Professional Services

Although the Board adopted written policies and District officials developed supplemental written procedures that require written RFPs or quotes for certain professional services, the policies do not:

- Require competition for all professional services,
- Provide adequate guidance on the RFP process, such as
 - Who is responsible for developing RFP criteria,
 - How often certain required RFPs should be issued,
 - How proposals will be evaluated, or
 - What documentation should be maintained.

During the period July 1, 2023 through June 30, 2024, the District made payments totaling approximately \$5.5 million, to 51 professional service providers paid \$10,000 or more. District officials did not seek competition for 33 of the 51 professional service providers (65 percent) paid \$2.4 million (Figure 1), which included three medical service providers paid \$346,995 that required an RFP. In addition, District officials consistently used the same attorneys since 2011, and an occupational and physical therapy provider since 2006 without seeking competition.

District officials stated that competition was not sought for professional service providers because they have a longstanding relationship with many of the professional service providers, that the providers understand District operations and that they are satisfied with the providers' services.

Although District officials may be satisfied with the District's current professional service providers, District officials should seek competition. Using an RFP process increases awareness of other professional service providers who could offer similar services at a more favorable rate, could result in existing professional service providers providing more favorable terms, and helps assure taxpayers that procurements are made in their best interest.

In addition, District officials did not provide adequate documentation to support the competition process, such as RFPs, all submitted proposals, or scoring rubric and evaluations for 11 other professional service providers paid \$1.7 million including five that required an RFP. Therefore, officials did not provide assurance that competition was sought or evaluated to provide justification for the selected professional service providers.

District officials and employees told us that they often discussed available professional service providers at department meetings, but did not formally seek competition or maintain documentation of these discussions or selection decisions. Also, the Executive Director of Pupil Personnel Services told us that the student services department did not seek competition for student support service providers because the District is required to provide those services immediately after the need is identified. However, the District could complete an RFP, or other competitive process, to select student support service providers often needed (such as speech therapy), prior to identifying the specific students who need the service.

Because officials did not always seek competition for professional services, officials cannot assure taxpayers that services were procured in the most economical way and without favoritism.

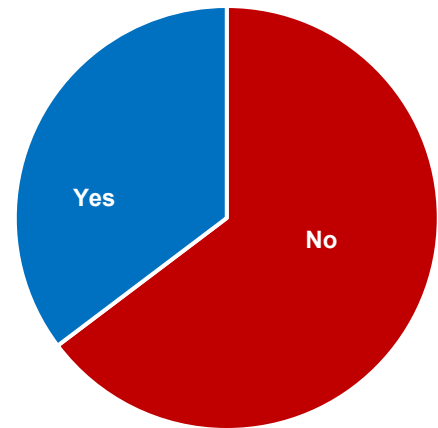
What Do We Recommend?

The Board should:

1. Update policies, and ensure officials update procedures, to include requirements to solicit competition for all professional services, such as the use of an RFP process, how proposals will be evaluated and the documentation to be maintained.

FIGURE 1

Was Competition Used to Procure Professional Services?



The Board and District officials should:

2. Solicit competition when procuring professional services.

The Assistant Superintendent should:

3. Ensure compliance with District policies and procedures.

Appendix A: Response From District Officials



GREECE CENTRAL SCHOOL DISTRICT

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Web Address • www.greeccsd.org

JEREMY SMALLINE

Superintendent of Schools

January 22, 2025

Ms. Stephanie Howes
Chief of Municipal Audits
The Powers Building, Suite 522
16 West Main Street
Rochester, New York 14614-1608

Dear Ms. Howes;

This correspondence serves as Greece Central School District's official response to the Office of the State Comptroller report #2024M-129 regarding Procurement of Professional Services covering the audit period of July 1, 2023 through October 2, 2024.

On behalf of the Board of Education and District Administration, we would like to thank your office for the local government partnership and for the professionalism exhibited by your team throughout the audit process.

Greece Central School District always seeks continuous improvement in its business operations and is grateful for the analysis and recommendations offered by your team. Additionally, we appreciate the opportunities your team provided us to review the draft report for completeness & accuracy, and we offer the following responses to your key findings and recommendations:

Key Finding(s):

The Board and District officials did not always seek competition for professional services, and as a result, cannot assure taxpayers that the services were procured in the most economical way and without favoritism.

Recommendation(s):

- 1) The Board of Education should update policies, and ensure officials update procedures, to include requirements to solicit competition for professional services, such as the use of Request for Proposal (RFP), how proposals will be evaluated and the documentation to be maintained.
- 2) The Board and District officials should solicit competition when procuring profession services.
- 3) The Assistant Superintendent Finance & Administrative Services should ensure compliance with District policies and procedures.



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The District is in support of these recommendations and has already begun updating the related purchasing policies and regulations as suggested. Greece CSD acknowledges that its business decisions regarding the approval of professional service contracts could have been documented in a more thorough and transparent manner for external and/or auditor review of the files. However, it is important to note that the rationale for awarding these contracts was always in the best interest of the District and deference to student needs and resident taxpayers and without favoritism.

Recent environmental factors, such as changes in Students with Disabilities services offered by local BOCES, challenges in hiring staff, and limitations in available services, have shifted the focus toward obtaining and providing services for students rather than on analysis and documentation. The District agrees that thorough analysis, a comprehensive cost/benefit review, and award scoring metrics are vital aspects of all decision making, particularly in the public realm. Technical vetting and documentation of professional services awards will be improved. However, the District wishes to dismiss any notion that contracts were awarded because of favoritism or in a manner that was not in the best interest of the District.

The Greece Central School District appreciates the hard work, thorough effort and communication with the auditors during this process. We fully understand and acknowledge our fiduciary responsibility to safeguard taxpayer resources and we will make the recommended changes in our corrective action plan in order to continuously improve our financial practices.

Sincerely,

Mr. Jeremy Smalline
Superintendent of Schools

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Appendix B: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed District officials and employees, and reviewed the District's written policies and procedures to gain an understanding of the District's procurement process for professional services.
- We reviewed electronic cash disbursement data for the period July 1, 2023 through June 30, 2024, and using our professional judgment, identified 51 professional service providers paid more than \$10,000. For these 51 professional service providers paid approximately \$5.5 million, we reviewed available procurement documentation to determine whether the District issued RFPs or used another competitive process to procure these services, and when applicable, in accordance with the District's policies and procedures.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law, Section 2116-a (3)(c) of New York State Education Law and Section 170.12 of the Regulations of the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The CAP should be posted on the District's website for public review.

Appendix C: Resources and Services

Regional Office Directory

www.osc.ny.gov/files/local-government/pdf/regional-directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.ny.gov/local-government/publications

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.ny.gov/local-government/fiscal-monitoring

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.ny.gov/local-government/publications

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.ny.gov/local-government/resources/planning-resources

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.ny.gov/files/local-government/publications/pdf/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.ny.gov/local-government/required-reporting

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.ny.gov/local-government/publications

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.ny.gov/local-government/academy

Contact

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<https://www.osc.ny.gov/local-government>

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